2026-2027
NJSIG Commercial Package Policy

Table of Contents:

General Provisions 2
Auto Liability 5
Crime 31
Electronic Data Processing 61
Equipment Breakdown 70
General Liability 90
Property 111

GENERAL POLICY PROVISIONS APPLICABLE TO ALL LINES

EFFECTIVE TIME PROVISION

The time of inception and the time of expiration of this policy and of any schedule or endorsement attached shall be 12:01 a.m. standard time.

To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

This endorsement applies only to locations in those States and/or Provinces where this change in inception and expiration time has been adopted by the authority having jurisdiction.

TERMINATION AND/OR WITHDRAWAL OF GROUP MEMBERS

1. A member school district must remain in the GROUP for the full term of membership unless earlier termination for nonpayment of assessments or premiums; one or more reasons listed in the cancellation/nonrenewal; or continued non-compliance after written notice to comply with the GROUP'S Bylaws, Risk Management standards, or other reason(s) acceptable to the Commissioner of Banking and Insurance. However, such member school district shall not be deemed terminated until:

    a. The GROUP gives by registered or certified mail, return receipt requested to the member a written notice of its intention to terminate the member and the reasons for said termination in thirty (30) days; and

    b. Like notice shall be filed with the Department of Banking and Insurance, together with a certified statement that the notice provided for above has been given; and

    c. Thirty (30) days have elapsed after the filing required by "a" above.

2. A member of the GROUP that does not desire to continue as a member after the expiration of its membership term shall give written notice of its intent ninety days before the expiration of term period. The GROUP shall immediately notify the Department of Insurance that the member has given notice to leave the GROUP.

3. A member of the GROUP that did not approve any amendment of the GROUP Bylaws approved pursuant to N.J.S.A. 18A:18B-4, and desiring to withdraw from the GROUP pursuant to N.J.S.A. 18A: - 18B-4b(8)(d), shall provide written notice of its intent to withdraw ninety days prior to its withdrawal. The GROUP shall immediately notify the Department of Insurance of all members that have given notice withdrawal from the GROUP.

4. A member that has been terminated or does not continue as a member of the GROUP shall remain jointly and severally liable for claims incurred by the GROUP and its member during the period of its membership, including, but not limited to being subject to and liable for supplemental assessments. A terminated or withdrawn member shall remain eligible for all dividends and refunds earned during the period of its membership.

5. The GROUP shall immediately notify the Department of Insurance if the termination or withdrawal of a member causes the Group to fail to meet any of the requirements of P.L. 1983, c. 108 or any other law or regulation of the State of New Jersey. Within fifteen (15) days of such notice, the GROUP shall advise the Department of Insurance of its plan to bring the GROUP into compliance.

6. A GROUP member is not relieved of the claims incurred during its period of membership except through payment by the GROUP or member of those claims.

7. A terminated or withdrawing member shall provide security in a form and amount acceptable to the Commissioner or Trustees, as applicable.

CANCELLATION/NONRENEWAL PROVISIONS

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel or non-renew this policy only for one or more of the following reasons:

1. Nonpayment of premium;

2. Existence of a moral hazard;

3. Material misrepresentation or nondisclosure to us of a material fact at the time of acceptance of the risk;

4. Increased hazard or material change in the risk assumed which we could not have reasonable contemplated at the time of assumption of the risk;

5. Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;

6. Lack of cooperation from the insured on loss control and/or underwriting matters materially affecting insurability of the risk;

7. Fraudulent acts against the Group by the insured or its representative that materially affect the nature of the risk insured;

8. Failure by the insured to comply with any Federal, State or local fire, health, safety or building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within 60 days of written notification of a violation of any such law, regulation or ordinance;

9. Failure by the insured to provide reasonable and necessary underwriting information to the Group upon written request therefore and a reasonable opportunity to respond;

10. Failure by the insured to allow the Group access to a premises upon receiving a written request and a reasonable opportunity to respond.

BYLAWS PROVISION

The member acknowledges that it has received a copy of the Bylaws of the GROUP and agrees to abide by the Bylaws and any amendments thereto.

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Director of Insurance Programs, NJSIG

DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS

SYMBOL – DESCRIPTION

1. = ANY AUTO.

2. = OWNED AUTOS ONLY.

Only those **autos you** own (and for liability coverage and any **trailers you** don't own while attached to power units **you** own). This includes those **autos you** acquire ownership of after the policy begins.

3. = OWNED PRIVATE PASSENGER AUTOS ONLY.

Only the private passenger **autos you** own. This includes those private passenger **autos you** acquire ownership of after the policy begins.

4. = OWNED AUTOS OTHER THAN PRIVATE PASSENGER AUTOS ONLY.

Only those **autos you** own which are not of the private passenger type (and for liability coverage any **trailers you** don't own while attached to power units **you** own). This includes those **autos,** not of the private passenger type, **you** acquire ownership of after the policy begins.

5. = OWNED AUTOS SUBJECT TO NO-FAULT.

Only those **autos you** own which are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those **autos** whose ownership **you** acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.

6. = OWNED AUTOS SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW.

Only those **autos you** own which, because of the law in the state where they are licensed or principally garaged, are required to have and cannot reject uninsured motorists insurance. this includes those **autos you** acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.

7. = SPECIFICALLY DESCRIBED AUTOS.

Only those **autos** described in Item Four for which a premium charge is shown (and for liability coverage any **trailers you** don't own while attached to any power unit described in Item Four).

8. = HIRED AUTOS ONLY.

Only those **autos you** lease, hire, rent or borrow. This does not include any **auto you** lease, hire, rent, or borrow from any of **your** employees or members of their households.

9. = NON-OWNED AUTOS ONLY.

Only those **autos you** do not own, lease, hire or borrow which are used in connection with **your** business. This includes **autos** owned by **your** employees or members of their households or your volunteers but only while used in **your** business or your personal affairs.

10. = NON-OWNED AUTOS USED IN YOUR GARAGE BUSINESS.

Any **autos you** do not own, hire or borrow used in connection with **your** garage business described in these declarations. This includes **autos** owned by **your** employees or members of their households while used in **your** garage business.

11. = AUTOS LEFT WITH YOU FOR SERVICE, REPAIR, STORAGE OR SAFEKEEPING.

Any **auto** not owned by **you** or any of **your** employees while left with **your garage operations** for service, repair, storage or safekeeping.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 6 – AUTOMOBILE LIABILITY COVERAGE
BUSINESS AUTOMOBILE FORM

In return for the payment of the premium and subject to all the terms of this policy, we agree with you as follows:

A. PART I – WORDS AND PHRASES WITH SPECIAL MEANING – READ THEM CAREFULLY

The following words and phrases have special meaning throughout this policy and appear in boldface type when used:

"You" and **"Your"** mean the person or organization shown as the Named Insured in the declarations.

"We," "Us," and **"Our"** mean the Group providing the insurance.

"Accident" includes continuous or repeated exposure to the same conditions resulting in bodily injury or property damage.

"Auto" means a land motor vehicle; trailer or semitrailer designed for travel on public roads. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. However, "auto" does not include "mobile equipment."

"Bodily Injury" means bodily injury, sickness or disease including death resulting from any of these.

"Communicable disease" means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and,

3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

"Communicable Disease Outbreak" means a communicable disease that is declared, or determined to be, a public health emergency, pandemic, outbreak, epidemic, disaster, or public emergency by the World Health Organization, or any agency or authority tasked with overseeing international or global public health, or by the United States government, including any federal, state or local agency.

"Insured" means any person or organization qualifying as an Insured in the **WHO IS INSURED** section of the applicable insurance. Except with respect to our limit of liability, the insurance afforded applies separately to each Insured who is seeking coverage or against whom a claim is made or suit brought.

"Loss" means direct and accidental damage or loss.

"Member," also known as the named insured, means the organization named in Item 1 of the declarations of this policy that has elected to participate in the fund to which this policy applies pursuant to N.J.S.A. 18A:18B-1, et seq.

"Mobile Equipment" means any of the following types of land vehicles:

1. Specialized equipment such as: Bulldozers; or Power shovels; Rollers, Grader or Scrapers; Farm Machinery; Street Sweepers or other cleaners; Diggers; Forklifts; Pumps; Generators; Air Compressors; Drills; Other similar equipment.

2. Vehicles designed for use principally off public roads.

3. Vehicles maintained solely to provide mobility for such specialized equipment when permanently attached.

4. Vehicles not required to be licensed.

5. Autos maintained for use solely on your premises or that part of roads or other accesses that adjoin your premises.

"**Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

"Private Passenger Automobile" means a self-propelled vehicle designed for use primarily on public roads and which is one of the following types:

1. a private passenger or station wagon type automobile;

2. a van, a pick-up or panel truck or delivery sedan, or

3. a utility automobile designed for personal use as a camper or motor home or for family recreational purposes;

However, a private passenger automobile does not include a motorcycle; an automobile used as a public or livery conveyance for passengers; a pick-up or panel truck, delivery sedan or utility automobile customarily used for business, occupational or professional purposes other than farming or ranching; or a utility automobile customarily used for the transportation of passengers other than members of the user's family or their guests.

"Property Damage" means damage to or loss of use of tangible property.

"Trailer" includes semitrailer.

B. PART II – WHICH AUTOS ARE COVERED AUTOS

1. **Article VI** of the declarations shows the autos that are covered autos for each of your coverages. The numerical symbols explained in the declarations describe which autos are covered autos. The symbols entered into next to a coverage designate the only autos that are covered.

2. **OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS**

   i. If symbols "1," "2," "3," "4," "5," or "6" are entered next to a coverage, then you already have coverage for autos of the type described until the policy ends.

   ii. But, if symbol "7" is entered next to a coverage, an auto you acquire will be a covered auto for that coverage only if:

      1. We already insure all autos that you own for that coverage or it replaces an auto you previously owned that had that coverage; and

      2. You tell us within 30 days after you acquire it that you want us to insure it for that coverage.

3. **CERTAIN TRAILERS AND MOBILE EQUIPMENT AND TEMPORARY SUBSTITUTE AUTOS**

   i. If the policy provides liability insurance, the following types of vehicles are covered autos for liability insurance:

      1. Trailers with a load capacity of 2,000 pounds or less designated primarily for travel on public roads.

      2. Mobile equipment while being carried or towed by a covered auto.

      3. Any auto you do not own while used with the permission of its owner as a temporary substitute for a covered auto you own that is out of service because of its:

         a. Breakdown;

         b. Repair;

         c. Servicing;

         d. Loss, or

         e. Destruction.

C. PART III – WHERE AND WHEN THIS POLICY COVERS

1. We cover accidents or losses which occur during the policy period:

   i. In the United States of America, its territories or possessions, Puerto Rico or Canada;

   ii. Anywhere in the world if a covered auto of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less, provided that the insured's responsibility to pay damages is determined in a suit on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to; and

   iii. While the covered auto is being transported between any part of these places.

D. PART IV – LIABILITY INSURANCE

1. **WE WILL PAY**

   i. We will pay all sums the Insured legally must pay as damages because of bodily injury or property damage to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered auto.

   ii. We have the right and duty to defend any suit asking for these damages. However, we have no duty to defend suits for bodily injury or property damage not covered by this policy. We may investigate and settle any claim or suit as we consider appropriate. Our payments of the **LIABILITY INSURANCE** limit ends our duty to defend or settle.

2. **WE WILL ALSO PAY**

   i. In addition to our limit of liability, we will pay for the Insured:

      1. Up to $2,500 for cost of bail bonds (including bonds for related traffic law violations) required because of an accident that we cover.

         a. We do not have to furnish these bonds in any suit that we defend.

      2. Premiums on bonds to release attachments in a suit that we defend, but only for bonds up to our limit of liability.

      3. All costs taxed to the Insured in a suit we defend.

      4. All interest accruing after the entry of the judgment in a suit that we defend. Our duty to pay interest ends when we pay or tender our limit of liability.

      5. Up to $500 a day for loss of earnings (but not other income) because of attendance at hearings or trials at our request.

      6. Other reasonable expenses incurred at our request.

3. **WE WILL NOT COVER – EXCLUSIONS**

   i. This insurance does not apply to:

      1. Any obligation for which the Insured or his or her insurer may be held liable under any workers' compensation or disability benefits law or under any similar law.

      2. Any obligation of the Insured to indemnify another for damages resulting from bodily injury to the Insured's employee.

      3. Bodily injury to any employee of the Insured arising out of and in the course of his or her employment by the Insured. However, this exclusion does not apply to bodily injury to domestic employees not entitled to workers' compensation benefits.

      4. Property damage to property owned or transported by the Insured or in the Insured's care, custody or control.

      5. Bodily injury or property damage resulting from the handling of property:

         a. Before it is removed from the place where it is accepted by the Insured for the movement into or onto the covered auto, or

         b. After it is moved from the covered auto to the place where it is finally delivered by the Insured.

      6. Bodily injury or property damage resulting from the movement of property by a mechanical device (other than a hand truck) not attached to the covered auto.

      7. Bodily injury or property damage caused by the dumping, discharge or escape of irritants, "pollutants" or contaminants. This exclusion does not apply to accidents that occur away from the premises owned by or rented to an insured with respect to "pollutants" not in or upon a covered auto if:

         a. The "pollutants" or any property in which the pollutants are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

         b. The discharge, dispersal, seepage migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

      8. All loss, cost or expense arising out of or related to, either directly or indirectly, any "NCBR Terrorist Activity" as defined herein, and any action taken to hinder, defend against or respond to any such activity. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in sequence to such loss, cost or expense.

         As used in this exclusion, "NCBR Terrorist Activity" shall mean any deliberate, unlawful act that:

         a. includes, involves or is associated with, in whole or in part, the use of or threatened use of, or release or threatened release of, any biological, chemical, radioactive, or nuclear agents, materials, devices, or weapons except where the Insured can demonstrate to the Group that such activities or threats thereof were motivated solely by personal objectives of the perpetrator that are unrelated, in whole or in part, to any intention to:

            i. promote or further any political, ideological, philosophical, radical, ethnic, social, or religious cause or

objective of the perpetrator or any organization, association, or group affiliated with the perpetrator; or

ii. influence, disrupt, or interfere with any government related operations, activities or policies; or

iii. intimidate, coerce, or frighten the general public; or

iv. disrupt or interfere with a national economy or any segment of a national economy; or

b. includes, involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any biological, chemical, radioactive or nuclear agents, materials, devices or weapons that is declared by any authorized governmental official to be or to involve terrorism, terrorist activity or acts of terrorism.

However, this exclusion shall apply only after the Group has expended $1,000,000 per occurrence and in the aggregate annually from all lines of coverage, in the payment of claims that would otherwise have been excluded under this exclusion.

9. Damages directly or indirectly arising out of, resulting from or in any manner related to "fungal pathogens" whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

   a. As used in this exclusion, "fungal pathogens" shall mean any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to, mold, mildew, mycotoxins, spores or any biogenic aerosols.

10. Bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing with respect to:

    a. liability assumed by the insured under an incidental contact.

11. Bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any autos or mobile equipment while being used in any prearranged or organized racing, speed, or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

12. Bodily injury or property damage expected or intended from the standpoint of the insured.

13. Bodily injury, liability, loss, cost or expense, of whatever nature, directly or indirectly caused by, arising out of, resulting from, or relating to "Sexual Abuse" by anyone of any one or more persons.

    a. As used in this exclusion, "Sexual Abuse" shall mean any actual, attempted, or alleged sexual conduct by a person or by persons acting in concert, which causes bodily injury. "Sexual abuse" includes sexual molestation, sexual assault, sexual exploitation or sexual injury.

4. **WHO IS INSURED**

   i. You are an Insured for any covered auto.

   ii. Anyone else is an Insured while using with your permission a covered auto that you own, hire or borrow except:

      1. The owner of a covered auto that you hire or borrow from one of your employees or a member of his or her household, other than where coverage is require by statute.

      2. Someone using a covered auto while he or she is working in a business of selling, servicing, repairing or parking autos, unless that business is yours.

      3. Anyone other than your employees, a lessee or borrower or any of their employees, while moving property to or from a covered auto.

   iii. Anyone liable for the conduct of an Insured described above is an Insured but only to the extent of that liability. However, the owner or anyone else from whom you hire or borrow a covered auto is an Insured only if that auto is a trailer connected to a covered auto that you own.

5. **OUR LIMIT OF LIABILITY**

   i. Regardless of the number of covered autos, Insureds, claims made or vehicles involved in the accident, the most we will pay for all damages resulting from any one accident is the LIABILITY INSURANCE limit shown in the declarations.

ii. All bodily injury and property damage resulting from continuous or repeated exposure will be considered as resulting from one accident.

iii. No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage form, and any Medical Payments Coverage Endorsement, Uninsured Motorists Coverage Endorsement or Under-insured Motorist Coverage Endorsement attached to this Coverage Part.

iv. Communicable disease outbreak limits:

The communicable disease outbreak limit stated in the declarations is the most the Group will pay for damages because of communicable disease outbreak for each occurrence. Notwithstanding anything to the contrary in this policy, for the purpose of the communicable disease outbreak limits only, all damages because of communicable disease outbreak which are traceable to a single source will be deemed to be a single occurrence for the purposes hereof, regardless of the number of claimants, or the number of breaches of any legal obligation or duty.

The communicable disease outbreak aggregate limit stated in the declarations is the most the Group will pay for damages in a single policy period because of communicable disease outbreak regardless of the number of members in the fund. Any payments by the Group from the communicable disease outbreak aggregate limits reduces any remaining aggregate limits available to all members.

These limits apply to any loss, damage, liability, claim, of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a communicable disease outbreak or the fear or threat (whether actual or perceived) of a communicable disease outbreak; all regardless of any other cause or event contributing concurrently or in any other sequence thereto. These limits further apply to any cost or expense to clean-up, detoxify, remove, monitor or test for a communicable disease outbreak or communicable disease associated with a communicable disease outbreak.

6. **OUT OF STATE EXTENSIONS OF COVERAGE**

i. While a covered auto is away from the state where it is licensed we will:

1. Increase this policy's liability limits to meet those specified by a compulsory or financial responsibility law in the jurisdiction where the covered auto is being used.

2. Provide the minimum amounts and types of other coverages, such as "No-Fault," required of out of state vehicles by the jurisdiction where the covered auto is being used.

ii. We will not pay anyone more than once for the same elements of loss because of these extensions.

E. PART V – PHYSICAL DAMAGE INSURANCE

1. **WE WILL PAY**

i. We will pay for a loss to a covered auto or its equipment under:

1. Comprehensive Coverage. From any cause except the covered auto's collision with another object or its overturn.

2. Specified Perils Coverage. Caused by:

a. Fire or explosion;

b. Theft;

c. Windstorm, hail or earthquake;

d. Flood;

e. Mischief or vandalism; or

f. The sinking, burning, collision or derailment of any conveyance transporting the covered auto.

3. Collision Coverage. Caused by the covered auto's collision with another object or its overturn.

4. Replacement Cost Coverage, buses. The following provisions apply to owned school buses that have seating for over 16 passengers and are not older than 10 years at inception:

a. In the event of a "total" loss to a school bus to which this coverage applies, we will pay the cost, less the deductible, to replace the damaged bus with a new bus of like kind and quality. You shall have the right to request replacement with a less expensive bus. However, if you do so, we will only pay the cost of that replacement bus, less the deductible, and will not make any cash payment for the difference. Should a dispute arise

regarding a question of like kind and quality, the decision by the Group shall be final.

b. In the event of a repairable loss to a covered bus, we will pay the lesser of:

i. The cost of repairs necessary to replace the damaged bus to the same condition it was in prior to loss; or

ii. the actual cash value of the lost or damaged bus.

c. "Total loss" shall mean the cost to repair a bus to its pre-loss condition if greater than its pre-loss actual cash value.

d. In the event the insured elects not to replace a bus, the claim shall be adjusted on an actual cash value basis.

ii. Towing. We will pay up to $25 for towing and labor costs incurred each time a covered auto of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

2. **WE WILL ALSO PAY**

i. In the event a substitute vehicle is not available, we will also pay up to $75 per day to a maximum of 30 days for the transportation expense incurred by you because of a covered loss to a scheduled auto. We will pay only for those covered autos for which you carry Comprehensive, Collision or Specified Coverage. We will pay for transportation expenses incurred: for a maximum of 30 days; when the covered auto is returned to use; or when we pay for its loss; whichever is less.

3. **WE WILL NOT COVER – EXCLUSIONS**

i. This insurance does not apply to:

1. Wear and tear, freezing, mechanical or electrical breakdown unless caused by another loss covered by this policy.

2. Blowouts, punctures or other road damage to tires unless caused by another loss covered by this policy.

3. Loss caused by declared or undeclared war or insurrection or any of their consequences.

4. Loss caused by the explosion of a nuclear weapon or its consequences.

5. Loss caused by radioactive contamination.

6. Loss to tape decks or other sound reproducing equipment not permanently installed in a covered auto.

7. Loss to tapes, records, or other sound reproducing devices designed for use with sound reproducing equipment.

8. Loss to any sound receiving equipment designed for use as a citizens' band, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the covered auto.

9. To all loss, cost or expense arising out of or related to, either directly or indirectly, any "NCBR Terrorist Activity" as defined herein, and any action taken to hinder, defend against or respond to any such activity. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in sequence to such loss, cost or expense.

"NCBR Terrorist Activity" shall mean any deliberate, unlawful act that:

a. includes, involves or is associated with, in whole or in part, the use of or threatened use of, or release or threatened release of, any biological, chemical, radioactive, or nuclear agents, materials, devices, or weapons except where the Insured can demonstrate to the Group that such activities or threats thereof were motivated solely by personal objectives of the perpetrator that are unrelated, in whole or in part, to any intention to:

i. promote or further any political, ideological, philosophical, radical, ethnic, social, or religious cause or objective of the perpetrator or any organization, association, or group affiliated with the perpetrator; or

ii. influence, disrupt, or interfere with any government related operations, activities or policies; or

iii. intimidate, coerce, or frighten the general public; or

iv. disrupt or interfere with a national economy or any segment of a national economy; or

b. includes, involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any biological, chemical, radioactive or nuclear agents, materials, devices or weapons that is declared by any authorized governmental official to be or to involve terrorism, terrorist activity or acts of terrorism.

However, this exclusion shall apply only after the Group has expended $1,000,000 per occurrence and in the aggregate annually from all lines of coverage, in the payment of claims that would otherwise have been excluded under this exclusion.

4. **HOW WE WILL PAY FOR LOSSES - THE MOST WE WILL PAY**

i. At our option we may:

1. Pay for, repair or replace damaged or stolen property; or

2. Return the stolen property, at our expense. We will pay for any damage that results to the auto from the theft.

ii. The most we will pay for loss is the smaller of the following amounts:
1. The actual cash value of the damaged or stolen property at the time of loss.

2. The cost of repairing or replacing the damaged or stolen property with other of like kind or quality.

iii. For each covered auto, our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the declarations. Any Comprehensive Coverage deductible shown in the declarations does not apply to loss caused by fire or lightning.

5. **GLASS BREAKAGE – HITTING A BIRD OR ANIMAL, FALLING OBJECTS OR MISSLES**

i. We will pay for glass breakage, loss caused by hitting a bird or animal or by falling objects or missiles under Comprehensive Coverage if you carry Comprehensive Coverage for the damaged covered auto. However, you have the option of having glass breakage caused by a covered auto's collision or overturn considered a loss under Collision Coverage.

F. PART VI – CONDITIONS

The insurance provided by this policy is subject to the following conditions:

1. **YOUR DUTIES AFTER ACCIDENT OR LOSS**

i. You must promptly notify us of any accident or loss. You must tell us how, when and where the accident or loss happened. You must assist in obtaining the name and address or any injured persons and witnesses.

ii. Additionally, you and other involved Insureds must:

1. Cooperate with us in the investigation, settlement or defense of any claim or suit. No Insured shall, except at his or her own cost, voluntarily make any payment, assume any obligation or incur any expense.

2. Immediately send us copies of any notices or legal papers received in connection with the accident or loss.

3. Submit at our expense and as often as we require to physical examination by physicians which we select.

4. Authorize us to obtain medical reports and other pertinent information.

iii. Additionally, to recover for loss to a covered auto or its equipment you must do the following:

1. Permit us to inspect and appraise the damaged property before its repair or disposition.

2. Do what is reasonable necessary after loss at our expense to protect the covered auto from further loss.

3. Submit a proof of loss when required by us.

4. Promptly notify the police if the covered auto or any of its equipment is stolen.

2. **OTHER INSURANCE**

i. For any covered auto that you own this policy provides primary insurance. For any covered auto that you do not own, the insurance provided by this policy is excess over any other collectible insurance. However, while a covered auto which is a trailer is connected to another vehicle, the liability coverage provided for the trailer:

1. is excess while it is connected to a motor vehicle that you don't own.

2. is primary while it is connected to a covered auto that you own.

ii. When two or more policies cover on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the limit of our policy bears to the total of the limits of all the policies covering on the same basis.

3. **OUR RIGHT TO RECOVER FROM OTHERS**

If we make any payment, we are entitled to recover what we paid from other parties. Any person to or for whom we make payment must transfer to us his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.

4. **LEGAL ACTION AGAINST US**

No legal action may be brought against us until there has been full compliance with all of the terms of this policy. In addition, under **LIABILITY INSURANCE,** no legal action may be brought against us until we agree in writing that the Insured has an obligation to pay, or until the amount of that obligation has been finally determined by judgment after trial. No person or organization has any right under this policy to bring us into any action to determine the liability of the Insured.

5. **INSPECTION**

At our option we may inspect your property and operations at any time. These inspections are for our benefit only. By our right to inspect or by our making any inspection we make no representation that your property or operations are safe, not harmful to health or comply with any law, rule or regulation.

6. **CHANGES**

This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us. If a change requires a premium adjustment, we will adjust the premium as of the effective date of change. If we revise this policy 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.

7. **TRANSFER OF YOUR INTEREST IN THIS POLICY**

Your rights and duties under this policy may not be assigned without our written consent.

8. **NO BENEFIT TO BAILEE – PHYSICAL DAMAGE INSURANCE ONLY**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, or transporting property for a fee regardless of any other provisions of this policy.

9. **BANKRUPTCY**

Bankruptcy or insolvency of the insured shall not relive us of any obligation under this policy.

10. **APPRAISAL FOR PHYSICAL DAMAGE LOSSES**

i. If you and we fail to agree as to the amount of loss, either may demand an appraisal of the loss. In such event, you and we shall each select a competent and disinterested umpire. The appraisers shall state separately the actual cash value and the amount of loss, and, failing to agree, shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. You and we shall each pay the chosen appraiser and shall bear equally the other expenses of the appraisal and umpire.

ii. We shall not be held to have waived any of our rights by any act relating to appraisal.

11. **TWO OR MORE POLICIES ISSUED BY US**

If this policy and any other policy issued to you by us or any Group affiliated with us apply to the same accident, the aggregate maximum limit of liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. This condition does not apply to any policy issued by us or an affiliated Group specifically to apply as excess insurance over this policy.

12. **NUCLEAR ENERGY LIABILITY EXCLUSION** (Broad Form)

i. The policy does not apply:

1. Under any Liability Coverage, to bodily injury or property damage:

a. with respect to which an Insured under the policy is also an Insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters of Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

b. resulting from the hazardous properties of nuclear material and with respect to which (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (ii) the insured is, or had this policy not been issued would be, entitled to indemnify from the United States of America, or any agency thereof, with any person or organization.

2. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

3. Under any Liability Coverage, to bodily injury or property damage resulting from the hazardous properties of nuclear material, if

   a. the nuclear material (i) is at any nuclear facility owned by, or operated by or on behalf of, an Insured, or (ii) has been discharged or dispersed therefrom;

   b. the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an Insured; or

   c. the bodily injury or property damage arises out of the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to property damage to such nuclear facility and any property threat.

ii. **As used in this exclusion:**

1. **"Hazardous Properties"** include radioactive, toxic or explosive properties;

2. **"Nuclear Material"** means source material, special nuclear material or byproduct material;

3. **"Source Material," "Special Nuclear Material,"** and **"Byproduct Material"** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

4. **"Spent Fuel"** means any fuel element of fuel component, solid or liquid, which has been used or exposed in a nuclear reactor;

5. **"Waste"** means any waste material (a) containing byproduct material and (b) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

6. **"Nuclear Facility"** means:

   a. any nuclear reactor;

   b. any equipment or device designated or used for (i) separating the isotopes of uranium or plutonium, (ii) processing or utilizing spent fuel, or (iii) handling, processing or packaging waste;

   c. any equipment or device used for the processing, fabricating or allowing of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 25 grams of uranium 235; and

   d. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

7. **"Nuclear Reactor"** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

8. **"Property Damage"** includes all forms of radioactive contamination of property.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 6 – AUTOMOBILE LIABILITY COVERAGE
PERSONAL INJURY PROTECTION COVERAGE FORM

A. Section I

1. The Group will pay personal injury protection benefits consisting of:

   i. medical expense benefits;

   ii. income continuation benefits;

   iii. essential services benefits;

   iv. death benefits; and

   v. funeral expense benefits with respect to bodily injury sustained by an eligible injured person caused by an accident and arising out of the ownership, maintenance or use, including loading or unloading, of a private passenger automobile as an automobile.

2. **Exclusions**

   i. The insurance under this endorsement does not apply to bodily injury:

      1. to a person whose conduct contributed to the injury in any of the following ways:

         a. while committing a high misdemeanor or felony or seeking to avoid lawful apprehension or arrest by a police officer, or

         b. while acting with specific intent to cause injury or damage to himself or others;

      2. to any person who, at the time of the accident, was the owner or registrant of a private passenger automobile registered or principally garaged in New Jersey that was being operated without personal injury protection coverage;

      3. to any person who is not occupying an insured automobile;

      4. arising out of the ownership, maintenance, or use including loading or unloading, of any vehicle while located for use as a residence or premises, other than for transitory recreational purposes;

      5. due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident or any of the foregoing.

      6. resulting from the radioactive, toxic explosive or other hazardous properties of nuclear material;

      7. to any person, if such person is entitled to New Jersey personal injury protection coverage as a Named Insured or relative under the terms of any other policy with respect to such coverage;

      8. to any person operating or occupying a private passenger automobile without the permission of the owner or Named Insured under the policy insuring the automobile;

   ii. The insurance under this endorsement does not apply for the following tests:

      1. Brain mapping, when not done in conjunction with appropriate neurodiagnostic testing;

      2. Iridology;

      3. Mandibular tracking and simulation;

      4. Reflexology;

      5. Spinal diagnostic ultrasound;

      6. Surface electromyography (surface EMG);

      7. Surrogate arm mentoring; or

      8. Any other “diagnostic test” that is determined to be ineligible for coverage under Personal Injury Protection Coverage by New Jersey law or regulation;

   iii. The insurance under this endorsement does not apply for the following diagnostic tests when used to treat temporomandibular joint disorder (TMJ/D):

      1. Doppler ultrasound;

      2. Electroencephalogram (EEG);

      3. Needle electromyography (needle EMG);

      4. Sonography;

5. Thermograms/thermographs; or

6. Videofluoroscopy.

3. **Definitions**

i. When used in reference to this insurance:

1. **"Bodily Injury"** means bodily injury, sickness or disease, including death at any time resulting therefrom;

2. **"Death Benefits"** means the amount or amounts payable in the event of the death of an eligible injured person as determined in subdivision (a) or (b) hereof, as appropriate;

a. If the eligible injured person was an income producer at the time of the accident, an amount equal to the difference between $5,200 and all the basic income continuation benefits paid for any loss of income resulting from this injury prior to his death;

b. If the eligible injured person ordinarily performed essential services for the care and maintenance of himself, his family or family household, an amount equal to the difference between $4,380 and all basic essential services benefits paid with respect to his injury prior to death.

3. **"Eligible Injured Person"** means:

a. the Named Insured, or any relative of the Named Insured, if the Named Insured or relative sustains bodily injury

i. as a result of any accident while occupying, entering into, alighting from or using a private passenger automobile, or

ii. while a pedestrian, as a result of being struck by a private passenger automobile or by an object propelled by or from using a private passenger automobile;

b. any person who sustains bodily injury

i. while, with the permission of the Named Insured, occupying, using, entering into or alighting from the insured automobile, or

ii. while a pedestrian, caused by the insured automobile or as a result of being struck by an object propelled by or from the insured automobile;

4. **"Essential Services Benefits"** means an amount not exceeding a limit of $12 per day and a total limit of $4,380 payable to an eligible injured person as reimbursement for payments made to others for substitute essential services of the type actually rendered during his lifetime and which he would ordinarily have performed not for income but for the care and maintenance of himself and his relatives;

5. **"Funeral Expense Benefits"** means an amount not exceeding $1,000 for reasonable funeral, burial and cremation expenses incurred;

6. **"Income Continuation Benefits"** means an amount not exceeding a limit of $100 per week and a total limit of $5,200 payable for the loss of income producer during his lifetime as a result of bodily injury disability; not to exceed net income normally earned during the period in which benefits are payable;

7. **"Insured Automobile"** means automobile with respect to which the Named Insured is required to maintain automobile liability insurance coverage under the New Jersey Automotive Reparation Repair Act, to which the bodily injury liability insurance of the policy applies and for which a specific premium is charged;

8. **"Medical Expense Benefits"** means an amount not exceeding $250,000 per person per accident for reasonable and medically necessary expenses incurred for medical, surgical, and dental treatment, professional nursing, hospital and rehabilitation services, x-ray and other diagnostic services, prosthetic devices, ambulance services, medication and other reasonable and necessary expenses incurred for treatment prescribed by persons licensed to practice medicine, surgery, psychology or chiropractic, or for any non-medical remedial treatment rendered in accordance with a recognized religious method of healing, however, it does not include expenses in excess of those for a semi-private room, unless more intensive care is medically required;

9. **"Medically Necessary"** or **"Medical Necessity"** means those services or supplies which are provided by a health care provider that are required to identify or treat a condition or injury, and which, as determined by us, are:

a. Consistent with clinically supported symptoms, diagnoses, or indications of the condition or injury;

b. The most appropriate level of service that is in accordance with the standards of good practice and professional treatment protocols (including Care Path protocols as established by the New Jersey Department of Banking and Insurance). When applied to an inpatient, it further means that the symptoms or condition require that the services or supplies cannot be safely provided as an outpatient;

c. Not primarily for any eligible injured person's convenience or any health care provider's convenience; and

d. Not unnecessary tests or treatments.

The fact that a health care provider prescribes, orders, recommends, or approves the care, the level of care, or the length of time care is to be received, does not make the services or supplies medically necessary.

10. **"Named Insured"** means the Board of Educations Named in Item One of Declarations:

11. **"Non-economic Loss"** means pain, suffering and inconvenience;

12. **"Pedestrian"** means any person who is not occupying, entering into, or alighting from a vehicle propelled by other than muscular power and designed primarily for use of highways, rails and tracks;

13. **"Private Passenger Automobile"** means a self-propelled vehicle designed for use primarily on public roads and which is one of the following types:

a. private passenger or station wagon type automobile;

b. a van, a pick-up panel truck or delivery sedan, or

c. a utility automobile designed for personal use as a camper or motor home or for family recreational purposes;

However, a private passenger automobile does not include a motorcycle; an automobile used as a public or livery conveyance for passengers; a pick-up or panel truck, delivery sedan or utility automobile customarily used for business, occupational or professional purposes other than farming or ranching; or a utility automobile customarily used for the transportation of passengers other than members of the user's family or their guests.

4. **Limits of Liability**

i. Any amount payable by the Group as personal injury protection benefits with respect to bodily injury shall be reduced by:

1. All amounts paid, payable or required to be provided under any workers' compensation or employee's temporary disability law.

2. Benefits actually collected that are provided under federal law to activate and retired military personnel.

ii. Any amount payable by the Group as medical expense benefits for the Named Insured shall be reduced by the amount of the deductible indicated in the Schedule or in the Declarations. The deductible applies on a per accident basis, regardless of the number of Named Insureds.

iii. The applicable limit on income continuation benefits applies to each full regular and customary work week of an eligible injured person. If his disability from work or employment consists of or includes only a part of such a week, the Group shall be liable for only that proportion of such weekly limit that the number of days lost from work or employment during the partial week bears to the number of days in his full work week.

5. **Policy Period; Territory**

i. This insurance applies only to accidents which occur during the policy period and within the United States of America; its territories or possessions or Canada.

6. **Conditions**

i. **Notice.** In the event of an accident, written notice containing particulars sufficient to identify the eligible injured person, and also reasonably obtainable information respecting the time, place and circumstances of the accident shall be given by or on behalf of each eligible injured person to the Group or any of its authorized agents as soon as practicable. If any eligible injured person, his legal representative or survivors shall institute legal action to recover damages for injury against a person or organization who is or may be liable in tort therefore, a copy of the summons and complaint or other process served in connection

with such legal action shall be forwarded as soon as practicable to the Group by such eligible injured person, his legal representative or his survivors.

ii. **Medical Reports; Proof of Claim.** As soon as practicable, the eligible injured person (or someone on their behalf) shall give to the Group written proof of claim, including full particulars of the nature and extent of the injuries and treatment received and contemplated, and such other information as may assist the Group in determining the amount due and payable.

The eligible injured person shall submit to an Independent Medical Examination when and as often as the Group may reasonably require to determine medical necessity of medical expense benefits. The Independent Medical Examination will be conducted by a health care provider within the same specialty as the eligible injured person's treating health care provider and will be conducted in a location reasonably convenient to the insured person. Results of the Independent Medical Examination and the determination regarding the medical necessity of treatment will be submitted to the insured person in writing and to the health care provider in writing Please note that medically necessary treatment may proceed while the Independent Medical Examination is being scheduled and until the results are available. If the examining provider prepares a written report concerning the examination, the injured person, or his or her designee, shall be entitled to a copy of the report upon request.

Failure to attend a scheduled examination without first furnishing notice to both the Group and to the independent health care provider scheduled to conduct the examination at least three (3) business days prior to the examination date of the need to cancel and reschedule will be considered an unexcused failure to attend. Any fees or penalties associated with the cancelation of a scheduled examination will be the responsibility of the eligible injured person and/or their representative. Rescheduled exams will be scheduled to occur within thirty (30) calendar days of the originally scheduled examination date. Failure to attend, with or without prior notice, any rescheduled examination will be considered an unexcused failure to attend. If the injured person has two (2) or more unexcused failures to attend a scheduled exam, or three (3) failures in total to attend a scheduled exam, notification will be immediately sent to the injured person or to his or her designee, and all providers treating the injured person for the diagnosis (and related diagnosis). The notification will place the injured person on notice that all future treatment, diagnostic testing, or durable medical equipment required for the diagnosis (and related diagnosis) will not be reimbursable as a consequence for failure to comply with these conditions.

iii. **Medical Policies Applicable to One Accident; Non-duplication of Benefits; Priority of Complying Policies.** Regardless of the number of automobiles insured for basic personal injury protection coverage pursuant to Section 4 of the New Jersey Automobile Reparation Reform Act, or the number of insurers or policies affording such coverage, there shall be no duplication of payments of basic personal injury protection benefits and aggregate maximum amount payable under this and all applicable policies with respect to bodily injury to any one person as the applicable amounts of limits specified in Section 4 of said Act.

If an eligible injured person under this insurance is also an eligible injured person under other complying policies, the Group paying benefits to such person shall be entitled to recover from each of the other insurers an equitable pro rata share of the amount paid. The pro rata share is the proportion that the Group's liability bears to the total of all applicable limits. "Complying Policy" means a policy of automobile liability insurance maintained pursuant to the requirements of Section 3 of the New Jersey Automobile Reparation Reform Act and providing basic personal injury protection coverage as approved by the Commissioner of Insurance.

iv. **Reimbursement and Trust Agreement.** Subject to any applicable limitations set forth in the New Jersey Automotive Reparation Reform Act, in the event of any payment to any person under this endorsement,

1. the Group shall be entitled to the extent of such payment to the proceeds of any settlement or judgment that may result from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury because of which such payment is made; and the Group shall have a lien to the extent of such payment, notice of which may be given to the person or organization causing such bodily injury, his agent, his insurer or a court having jurisdiction in the matter;

2. such person shall hold in trust for the benefit of the Group all rights of recovery which he shall have against such other person or organization because of such bodily injury;

3. such person shall do whatever is proper to secure and shall do nothing after loss to prejudice such rights; and

4. such person shall execute and deliver to the Group such instruments and papers as may be appropriate to secure the rights and obligations of such person and the Group established be this provision.

v. **Payment of Personal Injury Protection Benefits.** Medical expense benefits and essential services benefits may be paid at the option of the Group to the eligible injured person or the person or organization furnishing the products or services for which such benefits are due. These benefits shall not be assignable except to providers of service benefits. In the event of the death of an eligible injured person, any amounts payable, but unpaid prior to death, for medical expense benefits are payable to the eligible injured person's estate.

Payments for medical expenses under this Part are subject to the following provisions:

1. Payment for medical expense benefits incurred because of bodily injury to you or an eligible injured person in any one accident shall be subject to a co-payment of 20% on the portion of medical expenses under $5,000.

2. Payment for medical expenses is the fee on the date of service set forth in the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance, or the usual, customary and reasonable fee, whichever is less.

Benefits payable under subdivision (a) of the definition of death benefits are payable to the eligible injured person's surviving spouse, or if there is no surviving spouse to surviving children, or if there are no surviving children, to the eligible injured person's estate.

Benefits payable under subdivision (b) of the definition of death benefits are payable to the person who has incurred the expense of providing essential services.

Funeral expense benefits are payable to the eligible injured person's estate.

vi. **Workers' Compensation Reimbursement.** If the eligible injured person fails to apply for workers' compensation benefits or employees' temporary disability benefits for which that person is eligible, the Group may immediately apply to the provider of these benefits for reimbursement of any personal injury protection benefits that it has paid.

B. Section II – Extended Medical Reimbursement Benefits Coverage

1. The Group will pay medical expense benefits (not to exceed the total aggregate amount stated in the schedule) and funeral expense benefits with respect to bodily injury sustained by an Insured Person caused by an accident occurring during the policy period within the United States of America, its territories or possessions or Canada and arising out of the ownership, maintenance or use, including loading and unloading of an insured automobile or of a highway vehicle not owned by or furnished or available for the regular use of the Named Insured or any relative of the Named Insured.

2. **Exclusions**

i. The insurance under Section II is subject to all the exclusions applicable to Section I except exclusion (3).

ii. The following exclusion is added:

1. to bodily injury to any person, other than a resident of New Jersey, if the accident occurs outside of New Jersey.

3. **Definitions**

i. The definitions under Section I apply to Section II.

ii. Additionally, under Section II:

1. **"Highway Vehicle"** means a land motor vehicle or trailer other than (a) a farm type trailer or other equipment designed for use principally off public roads, while not upon public roads, (b) a vehicle operated on rails or crawler-treads, or (c) a vehicle while located for use as a residence or premises;

2. **"Insured Person"** means

a. any person who sustains bodily injury while occupying a highway vehicle (other than a motorcycle or a vehicle while being used as a public or livery conveyance) if such highway vehicle is being operated by any such person using highway vehicle with the permission of the Named Insured;

b. any person who sustains bodily injury while occupying an insured automobile if such insured automobile is being operated by any person using such

insured automobile with the permission of the named Insured.

4. **Conditions**

i. Conditions (i), (ii), and (iv) of Section I apply to Section II, substituting the term "eligible insured person" whenever it appears therein.

ii. The following additional condition applies under Section II:

1. **Other Insurance Benefits.** This insurance does not apply to loss or expense with respect to which an Insured Person is entitled to benefits under any worker's compensation law or under Section 4 of the New Jersey Automobile Reparation Reform Act, or would be entitled to benefits under Section 4 of the Act except for the application of a deductible.

2. This insurance does not apply to loss or expense to the extent that benefits are payable or are required to be provided therefore under any other automobile no-fault law or under any other automobile medical payments insurance.

C. Section III – Pedestrian Personal Injury Protection Coverage

1. THIS SECTION PROVIDES PERSONAL INJURY PROTECTION COVERAGE ONLY FOR PEDESTRIANS WITH RESPECT TO AN INSURED MOTOR VEHICLE AS DESCRIBED IN THIS SECTION; PEDESTRIAN PERSONAL INJURY PROTECTION COVERAGE IS THE ONLY PERSONAL INJURY PROTECTION COVERAGE FOR THE VEHICLE.

2. The group will pay Pedestrian Personal Injury Protection benefits consisting of medical expense benefits, income continuation benefits, essential services benefits, death benefits and funeral expense benefits to an eligible injured person as defined in this section. For Pedestrian Personal Injury Protection Coverage, Section I is amended as follows:

i. Exclusions (2) and (3) do not apply.

ii. The definition of "eligible injured person" is replaced by the following:

1. "**Eligible Injured Person"** means a person who sustains bodily injury while a pedestrian, caused by the insured motor vehicle or as a result of being struck by an object propelled by or from the insured motor vehicle.

iii. The following definition is added:

1. **"Insured Motor Vehicle"** means a self-propelled motor vehicle designed for use principally on public roads, which is not a private passenger automobile and to which the liability insurance of this policy applies.

iv. Sections II and V do not apply to Pedestrian Personal Injury Protection Coverage.

v. Pedestrian Personal Injury Protection Coverage applies to accidents which occur in the State of New Jersey.

D. Section IV

1. In consideration of the insurance afforded under Sections I and II of this endorsement and the adjustment of applicable rates because of bodily injury to an eligible injured person, any automobile medical payments coverage affordable under the policy is deleted with respect to an automobile which is an insured automobile.

E. Section V

1. The premium for the policy is based on rates which have been reduced in accordance with Section 18 of the New Jersey Automobile Reparation Reform Act to reflect the limitations on the right to recover damages imposed by Section 8 of the said Act. If a court of competent jurisdiction declares or enters a judgment the effect of which is to render Section 8 to the Act invalid or unenforceable in whole or in part, the Group shall have the right to recompute the premium payable for the policy based on revised rates which are subject to approval by the Commissioner of the New Jersey Department of Banking and Insurance.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 6 – AUTOMOBILE LIABILITY COVERAGE
AUTO MEDICAL PAYMENTS

A. Words and Phrases with Special Meaning

1. In addition to the WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following words and phrases have special meaning for AUTO MEDICAL PAYMENTS INSURANCE.

   i. "**Family Member"** means a person related to you, by blood, marriage, or adoption who is a resident of your household, including a ward or foster child.

   ii. "**Occupying**" means in, upon, getting in, on out or off.

B. We Will Pay

1. We will pay reasonable expenses incurred by necessary medical and funeral services to or for an insured who sustains bodily injury caused by an accident. We will pay only those expenses incurred within three years from the date of the accident.

C. We Will Not Cover – Exclusions

1. This insurance does not apply to:

   i. Bodily injury sustained by an accident while occupying a vehicle located for use as a premises.

   ii. Bodily injury sustained by you or any family member while occupying or struck by any vehicle (other than a covered auto) owned by you or furnished or available for your regular use.

   iii. Bodily injury sustained by any family member while occupying or struck by any vehicle owned by or furnished, or available for the regular use of any family member.

   iv. Bodily injury to your employee arising out of and in the course of employment by you. However, we will cover bodily injury to your domestic employees if not entitled to workers' compensation benefits.

   v. Bodily injury to an insured while working in a business of selling, servicing, repairing, or parking autos.

   vi. Bodily injury caused by declared or undeclared war or insurrection or any of their consequences.

   vii. Bodily injury to anyone using a vehicle without a reasonable belief that the person is entitled to do so.

D. WHO IS INSURED

1. You or any family member while occupying, or while a pedestrian, when struck by any auto.

2. Anyone occupying a covered auto or a temporary substitute for a covered auto. The covered auto must be out of service because of its breakdown, repair, servicing, loss or destruction.

E. Our Limit of Liability

1. Regardless of the number of covered autos, insureds, claims made of vehicles involved in the accident, the most we will pay for bodily injury for each insured injured in any one accident is the limit of AUTO MEDICAL PAYMENTS shown in the declarations.

2. No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage Endorsement, Under-insured Motorists Coverage Endorsement attached to this coverage part.

F. Changes in Conditions

1. The CONDITIONS of the policy are changed for AUTO MEDICAL PAYMENTS INSURANCE as follows:

   i. OUR RIGHT TO RECOVER FROM OTHERS does not apply.

   ii. The reference in other insurance to "Other collectible insurance" applies to other collectible auto medical payments insurance.

NEW JERSEY SCHOOLS INSURANCE GROUP
UNINSURED AND UNDERINSURED MOTORISTS INSURANCE (NEW JERSEY)

A. Words and Phrases with Special Meaning

1. In addition to the WORDS AND PHRASES WITH SPECIAL MEANING in the policy, the following words and phrases have special meaning for UNINSURED AND UNDERINSURED MOTORISTS INSURANCE.

   i. **"Family Member"** means a person related to you by blood, marriage, or adoption who is a resident of your household, including a ward or foster child.

   ii. **"Occupying"** means in, getting in, on, out or off.

   iii. **"Private Passenger Automobile"** means a self-propelled vehicle designed for use primarily on public roads and which is one of the following types:

      1. a private passenger or station wagon type automobile;

      2. a van, a pick-up or panel truck or delivery sedan; or

      3. a utility automobile designed for personal use as a camper or motor home or for family recreational purposes;

   However, a private passenger automobile does not include a motorcycle; an automobile used as a public or livery conveyance for passengers; a pick-up or panel truck, delivery sedan or utility automobile customarily used for business, occupational or professional purposes other than farming or ranching; or a utility automobile customarily used for the transportation of passengers other than members of the user's family or their guests.

   iv. **"Property Damage"** as used in this endorsement, means damage to a covered auto or to any property of an insured while contained in a covered auto.

   v. **"Uninsured Motor Vehicle"** means a land motor vehicle or trailer:

      1. For which no liability bond or policy applies at the time of an accident; or

      2. For which an insuring or bonding company denies coverage or is or becomes insolvent; or

      3. Which, with respect to damages for bodily injury only, is a hit-and-run vehicle whose operator or owner cannot be identified and which hits, or causes an accident resulting in bodily injury without hitting;

         a. you or your family member;

         b. a vehicle which you or any family member are occupying; or

         c. your covered auto.

   vi. **"Underinsured Motor Vehicle"** means a land motor vehicle or trailer for which a liability bond or policy applies at the time of an accident but its limit of liability is less than the limit of this insurance.

   However, an "uninsured motor vehicle" or "underinsured motor vehicle" does not include:

      1. Owned by or furnished or available for the regular use of your or any family member.

      2. Owned or operated by a self-insurer under any applicable motor vehicle law.

      3. Owned by any government unit or agency.

      4. Operated on rails or crawler treads.

      5. Designed mainly for use off public roads while not upon public roads.

      6. While located for use as a residence or premises.

B. We Will Pay

1. We will pay all sums the Insured is legally entitled to recover as damages from the owner or driver of an uninsured or underinsured motor vehicle. The damages must result from bodily injury sustained by the Insured, or property damage caused by an accident. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the uninsured or underinsured motor vehicle.

2. If this insurance provides a limit in excess of the amounts required by the New Jersey Financial Responsibility Law, we will pay only after all liability bonds or policies have been exhausted by judgments or payments.

C. We Will Not Cover – Exclusions

1. This insurance does not apply to:

   i. With respect to an uninsured motor vehicle, any claim settled without our consent.

   ii. Damages of pain, suffering, and inconvenience resulting from bodily injury caused by an accident involving an uninsured motor vehicle unless the injured person has a legal right to recover damages for such pain, suffering and inconvenience under the New Jersey No-Fault Law. The injured person's legal right to recover damages for pain, suffering and inconvenience under the New Jersey No-Fault Law will be determined by the liability tort limitation, if any, applicable to that person.

   iii. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.

   iv. The direct or indirect benefit of any insurer of property.

   v. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.

   vi. Property damage for which the Insured has been or is entitled to be compensated by other property or physical damage insurance.

   vii. The first $500 or the amount of property damage to the property of each Insured as the result of any one accident.

   viii. Property damage caused by a hit-and-run vehicle.

   ix. To all loss, cost or expense arising out of or related to, either directly or indirectly, any "NCBR Terrorist Activity" as defined herein, and any action taken to hinder, defend against or respond to any such activity. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in sequence to such loss, cost or expense.

   x. "NCBR Terrorist Activity" shall mean any deliberate, unlawful act that:

      1. includes, involves or is associated with, in whole or in part, the use of or threatened use of, or release or threatened release of, any biological, chemical, radioactive, or nuclear agents, materials, devices, or weapons except where the Insured can demonstrate to the Group that such activities or threats thereof were motivated solely by personal objectives of the perpetrator that are unrelated, in whole or in part, to any intention to:

         a. promote or further any political, ideological, philosophical, radical, ethnic, social, or religious cause or objective of the perpetrator or any organization, association, or group affiliated with the perpetrator; or

         b. influence, disrupt, or interfere with any government related operations, activities or policies; or

         c. intimidate, coerce, or frighten the general public; or

         d. disrupt or interfere with a national economy or any segment of a national economy; or

      2. includes, involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any biological, chemical, radioactive or nuclear agents, materials, devices or weapons that is declared by any authorized governmental official to be or to involve terrorism, terrorist activity or acts of terrorism.

      However, this exclusion shall apply only after the Group has expended $1,000,000 per occurrence and in the aggregate annually from all lines of coverage, in the payment of claims that would otherwise have been excluded under this exclusion.

D. WHO IS INSURED

1. Your family or any family member.

2. Anyone else occupying a covered auto or a temporary substitute for a covered auto. The covered auto must be out of service because of its breakdown, repair, servicing, loss or destruction.

3. Anyone for damages he is entitled to recover because of bodily injury sustained by another Insured.

E. Our Limit of Liability

1. Regardless of the number of covered vehicles, number of insureds, claims made or vehicles involved in the accident, the limit of liability shown in the Declarations for Uninsured Motorists Insurance is the most we will pay for all damages resulting from any one accident with an uninsured motor vehicle or an underinsured motor vehicle.

2. However, subject to our maximum limit of liability for this coverage:

i. If:

1. An insured is not the named insured under this policy;

2. That insured is a named insured under one or more other policies providing similar coverage; and

3. All such other policies have a limit of liability for similar coverage which is less than the limit of liability for this coverage,

Then our maximum limit of liability for that insured, for all damages resulting from any one accident, shall not exceed the highest applicable limit of liability under any insurance providing coverage to that insured as a named insured.

ii. If:

1. An insured is not the named insured under this policy or any other policy;

2. That insured is insured as a spouse or family member under one or more other policies providing similar coverage; and

3. All such other policies have a limit of liability for similar coverage which is less than the limit of liability for this coverage;

Then our maximum limit of liability for that insured, for all damages resulting from any one accident, shall not exceed the highest applicable limit of liability under any insurance providing coverage to that insured as a spouse or family member.

3. Any amount payable under this insurance shall be reduced by all sums paid by or for persons or organizations who are legally responsible, including all sums paid under the policy's LIABILITY INSURANCE.

4. Any amount payable under this insurance shall be reduced by any personal injury protection benefits paid or payable for the same element of loss, duplicate payments for the same element of loss, or any similar coverage under any other policy.

5. Any amount paid under this insurance will reduce any amount an Insured may be paid under the policy's LIABILITY INSURANCE.

F. Changes in Conditions

1. The CONDITIONS of the policy are changed for UNINSURANCED MOTORISTS INSURANCE as follows:

i. The reference in OTHER INSURANCE to "other collectible insurance" applies only to other collectible uninsured and/or underinsured motorists insurance.

ii. YOUR DUTIES AFTER ACCIDENT OR LOSS is changed by adding to the following:

1. Promptly notify the police, if a hit-and-run driver is involved, and

2. Promptly send us copies of the legal papers if a suit is brought.

iii. OUR RIGHT TO RECOVER FROM OTHERS is changed by adding the following:

1. If we make any payment and the Insured recovers from another party, the Insured shall hold back the proceeds in trust for us and pay us back the amount we have paid.

iv. The following Condition is added:

1. **ARBITRATION**

a. If Insured and we disagree whether the Insured is legally entitled to recover damages from the owner or driver of an uninsured motor vehicle or do not agree as to the amount of damages, either party may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made be a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

b. If Insured and we agree, arbitration will take place in the country in which the Insured lives, local rules of law as to arbitration procedure and evidence will apply, and a decision agreed to by two of the arbitrators will be binding.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 6 – AUTOMOBILE LIABILITY COVERAGE
ADDITIONAL INSURED – VOLUNTEERS

Part IV, "**LIABILITY INSURANCE**," Paragraph 4, "**WHO IS INSURED**," is amended to include as an insured, at the option of the Board of Education, any person who is a volunteer worker for you but only while acting within the scope of his or her duties for you. Volunteers are Additional Insureds while using their owned autos for board of education business and this Liability Coverage applies only as excess over the other insurance whether collectible or not. However, no volunteers are insured for property damage to property owned, occupied or used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by a volunteer, or co-volunteer.

For the purpose of this endorsement, a Volunteer is defined as a person whose services, or activities or work are performed on behalf of and at the direction of the Board of Education and who does so without payment, remuneration or compensation.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 6 – AUTOMOBILE LIABILITY COVERAGE
GARAGE KEEPERS' INSURANCE ENDORSEMENT

A. COVERAGE AGREEMENTS

1. The Group will pay all sums the Insured legally must pay as damages for loss to a covered automobile left in the Insured's care while the Insured is attending, servicing, repairing, parking or storing it in the Named Insured's garage operations, under:

   i. Comprehensive Coverage. From any cause except the covered automobile's collision with another object or its overturn.

   ii. Collision Coverage. Caused by the covered automobile's collision with another object or its overturn; and the Group shall have the right and duty to defend any suit against the Insured seeking damages on the account of such loss, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Group shall not be obligated to pay any claim of judgment or to defend any suit after the applicable limit of the Group's liability has been exhausted by payment of judgments or settlements.

2. Supplementary Payments.

   i. The Group will pay, in addition to the applicable limit of liability:

      1. Premium on appeal bonds in any suit defended by the Group.

      2. Premium on bonds to release attachments in a suit defended by the Group, but only for bonds up to the Group's limit of liability.

      3. All costs taxed to the Insured in a suit defended by the Group.

      4. All interest accruing after the entry of the judgment in a suit defended by the Group. The Group's duty to pay interest ends when the Group pays or tenders its limit of liability.

      5. Up to fifty dollars a day for loss of earnings (but not other income) because of attendance at hearings or trials at the Group's request.

      6. Other reasonable expenses incurred at the Group's request.

B. EXCLUSIONS

1. This insurance does not apply:

   i. To liability of Insured under any agreement to be responsible for loss;

   ii. To an automobile or other property:

      1. owned by or rented to

         a. the Named Insured or a partner therein or a member thereof, or the spouse of any one of them if a resident of the same household, or

         b. an employee of the Named Insured or his spouse if a resident of the same household, unless the covered automobile or other property is in the custody of the Named Insured under an agreement for which a specific pecuniary charge has been made; or

      2. in the custody of the Named Insured for demonstration or sale;

   iii. To loss by theft due to any fraudulent, dishonest or criminal act by the Named Insured, a partner therein, a member thereof or employee, trustee or authorized representative thereof whether working or otherwise and whether acting alone or in collusion with others.

   iv. To defective parts, accessories or materials furnished or to faulty work performed on a covered automobile, out of which loss arises.

   v. To loss to tape decks or other sound reproducing equipment not permanently installed in a covered automobile.

   vi. To loss to tapes, records or other devices designed for use with sound reproducing equipment.

   vii. To loss to any sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed, or in a manner intended to be permanent, in the dash or console opening normally used by the automobile manufacturer for the installation of a radio.

viii. To all loss, cost or expense arising out of or related to, either directly or indirectly, any "NCBR Terrorist Activity" as defined herein, and any action taken to hinder, defend against or respond to any such activity. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in sequence to such loss, cost or expense.

"NCBR Terrorist Activity" shall mean any deliberate, unlawful act that:

1. includes, involves or is associated with, in whole or in part, the use of or threatened use of, or release or threatened release of, any biological, chemical, radioactive, or nuclear agents, materials, devices, or weapons except where the Insured can demonstrate to the Group that such activities or threats thereof were motivated solely by personal objectives of the perpetrator that are unrelated, in whole or in part, to any intention to:

   a. promote or further any political, ideological, philosophical, radical, ethnic, social, or religious cause or objective of the perpetrator or any organization, association, or group affiliated with the perpetrator; or

   b. influence, disrupt, or interfere with any government related operations, activities or policies; or

   c. intimidate, coerce, or frighten the general public; or

   d. disrupt or interfere with a national economy or any segment of a national economy; or

2. includes, involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any biological, chemical, radioactive or nuclear agents, materials, devices or weapons that is declared by any authorized governmental official to be or to involve terrorism, terrorist activity or acts of terrorism.

However, this exclusion shall apply only after the Group has expended $1,000,000 per occurrence and in the aggregate annually from all lines of coverage, in the payment of claims that would otherwise have been excluded under this exclusion.

C. PERSONS INSURED

1. Each of the following is an insured under this endorsement to the extent set forth below:

   i. The Named Insured;

   ii. If the Named Insured is designated in the Declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the named Insured with respect to the conduct of such a business; and

   iii. Any employee, director or stockholder of the Named Insured, while acting within the scope of his duties as such.

D. LIMIT OF LIABILITY

1. Regardless of the number of (i) insureds under this endorsement, (ii) persons or organizations who sustain loss, (iii) claims made or suits brought on account of loss, or (iv) covered automobiles to which this endorsement applies, the Group's liability for any one loss is limited as follows:

   i. Loss of Covered Automobiles.

      1. The limit of the Group's liability for loss is the limit stated in the declarations less the deductible stated in the page for loss caused by collision, or comprehensive damages.

   ii. All the terms of this endorsement apply irrespective of the application of any deductible amount and the Group may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the Insured shall promptly reimburse the Group for such part of the deductible amount as has been paid by the Group.

   iii. Repairs by the Named Insured shall be adjusted at actual cost to him of labor and materials.

E. DEFINITIONS

1. As used in this endorsement:

   i. **"Automobile"** means a land motor vehicle, trailer or semi-trailer;

   ii. **"Elevator"** means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; but does not include an automobile servicing hoist, or a hoist without a platform outside a building if without mechanical power

or if not attached to building walls, or a hood or material hoist used in alteration construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having compartment height not exceeding four feet;

iii. **"Garage Operations'** means the ownership, maintenance or use of locations for the purpose of a business of servicing or repairing autos and that portion of the roads or other accesses that adjoin these locations;

iv. **"Loss"** means direct and accidental loss of or damage to property;

v. **"Named Insured"** means the person or organization named on the Declarations of this policy;

vi. **"Work Performed"** includes work that someone performed for the Named Insured.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 6 – AUTOMOBILE LIABILITY COVERAGE
HIRED CAR PHYSICAL DAMAGE

A. The following wording is added to Article 6, "**AUTOMOBILE COVERAGE**," Part V, "**PHYSICAL DAMAGE INSURANCE**":

1. **WE WILL PAY**

   i. The following is added:

      1. Hired Car Physical Damage. You may extend coverage to apply to Physical Damage loss to any hired autos. We will provide coverage equal to the broadest coverage available to any covered auto shown in the Declarations.

         This coverage is subject to the following provisions:

         a. The most we will pay for loss to a hired auto in any one accident is the lesser of:

            i. $200,000; or

            ii. The actual cash value of the damaged or stolen property as of the time of the loss; or

            iii. The actual cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

         b. For each hired auto, our obligation to pay for loss will be reduced by a deductible equal to the largest deductible applicable to any owned auto for that coverage.

         c. Hired Car Physical Damage coverage provided by this extension is in excess over any other collectible insurance.

         d. This coverage is subject to the highest physical damage deductible applicable shown in the declarations.

         e. The basis of premium for this coverage is total contract cost subject to audit.

2. **WE WILL NOT COVER – EXCLUSIONS**

   i. The following additional exclusion applies to Hired Car Physical Damage:

      1. Loss to any auto rented or leased for more than 30 consecutive days.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 6 – AUTOMOBILE LIABILITY COVERAGE
EXTENSION OF COVERAGE

A. 18A STATUTORY PAYMENTS COVERAGE

1. This policy is extended to provide the following coverage:

   i. The Group agrees to pay or otherwise indemnify the Named Insured for 18A Statutory Payments.

      1. **"18A Statutory Payments"** means reasonable defense costs which the Named Insured shall become obligated to pay by reason of the liability imposed by the Act of the Legislature of the State of New Jersey known as: N.J.S.A. 18A:16-6, N.J.S.A. 18A:16-6.1, and N.J.S.A. 18A:12-20 and any amendments thereto.

   ii. The Group shall have the right and duty to defend the Named Insured in any suit seeking "18A Statutory Payments," and may make such investigation and settlement of any claim or suit as it deems expedient, but the Group shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Group's liability has been exhausted by payment of judgments, settlements, or defense costs. The Group shall have the right to select defense counsel and the Insured shall not engage counsel without consultation and approval by the Group.

   iii. The defense costs provided by this extension are limited to a $100,000 annual aggregate and are included within the Limits of Liability provided under Article 6, Paragraph (D)(5)(i) of Form NJSIG-A1 (7/25) ("Automobile Liability Coverage Business Automobile Form") and subject to a $5,000 deductible or the Automobile Liability deductible, whichever is greater.

   iv. Any claim under this extension must be reported to the Group within one year of its final disposition.

B. KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM, SUIT, BODILY INJURY OR PROPERTY DAMAGE

1. With respect to any obligation under this policy for which knowledge of an "occurrence," offense, claim, "suit," "bodily injury" and/or "property damage" is relevant, such knowledge by an "employee" or other agent of the insured does not constitute such knowledge unless and until such time as the Business Official, Board Secretary, Superintendent or Chief School Administrator obtains such knowledge or receives notice from the "employee," other agent or third-party source; provided that the Named Insured has in place a policy by which knowledge of an "occurrence," offense, claim, "suit," "bodily injury," and/or "property damage" is to be reported to the Business Official, Board Secretary, Superintendent or Chief School Administrator.

C. UNINTENTIONAL ERRORS OR OMISSIONS

1. Failure of the Insured to disclose all hazards existing as of the inception date of the policy shall not prejudice the Insured with respect to the coverage afforded by this policy, provided such failure or any omissions are not intentional.

D. NOTICE OF OCCURRENCE TO WORKERS' COMPENSATION CARRIER

1. If the Named Insured reports an "occurrence" to its workers' compensation carrier which later develops into an automobile liability claim, the failure to provide notice of the "occurrence" shall not be deemed a breach of the Condition of the policy entitled, "YOUR DUTIES AFTER ACCIDENT OR LOSS." However, once you know or should know that the "occurrence" is or may develop into an automobile liability claim, the Named Insured must see to it that we are notified as soon as practicable and meet all the obligations of the Condition of the policy entitled, "YOUR DUTIES AFTER ACCIDENT OR LOSS."

NEW JERSEY SCHOOLS INSURANCE GROUP

NONOWNED AUTOMOBILE DEDUCTIBLE REIMBURSEMENT COVERAGE-PHYSICAL DAMAGE COVERAGE

This endorsement modifies insurance provided under the following:

NEW JERSEY SCHOOLS INSURANCE GROUP ARTICLE 6- AUTOMOBILE COVERAGE; PART V-PHYSCAL DAMAGE

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

Schedule

Employees and Volunteers of the Named Insured

A. This endorsement provides for the reimbursement of an automobile physical damage deductible as a result of a covered "loss" to a private passenger vehicle owned by a driver named in the schedule subject to the following provisions:

1. The scheduled driver is using their vehicle for services, activities or work performed on behalf of and at the direction of the Board of Education; and
2. The amount reimbursed shall not exceed $1,000; and
3. The auto is owned by that individual or by any member of his or her household; and
4. The auto is not a hired car.
5. The insured shall provide all relevant information for any covered employee or volunteer.

B. Other Insurance: Other than the coverage provided by this endorsement, the provisions of the OTHER INSURANCE clause still apply. NJSIG shall be entitled to be reimbursed all amounts paid under this endorsement in the event of subrogation. The insured shall assist NJSIG in obtaining reimbursement from covered employees.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

Throughout this Policy the words "you" and "your" refer to the Insured(s) shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance. Read the entire Policy carefully to determine rights, duties and what is or is not covered. Words and phrases defined in the Policy are in bold type.

A. CONSIDERATION CLAUSE

In return for the payment of the premium, and subject to the Declarations, Insuring Agreements, Definitions, Exclusions, Conditions and other terms of this Policy, we will pay for loss covered by an Insuring Agreement of this Policy that you sustain resulting directly from acts committed or events occurring at any time and discovered by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period to Discover Loss, Condition E.8.

B. INSURING AGREEMENTS

1. **Employee Dishonesty**

We will pay for loss resulting directly from dishonest acts committed by an **employee**, whether identified or not, acting alone or in collusion with other persons, with the manifest intent to:

a. Cause you to sustain loss; and

b. Obtain an improper financial benefit for:

(1) The **employee**; or

(2) Any person or organization intended by the **employee** to receive that benefit.

As used in this Insuring Agreement, an improper financial benefit does not include any **employee** benefits received in the course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions.

2. **Forgery or Alteration**

a. We will pay for loss resulting directly from forgery or alteration of checks, drafts, promissory notes, or similar written promises, orders, or directions to pay a sum certain in money that are:

(1) Made or drawn by or drawn upon you;

(2) Made or drawn by one acting as your agent; or that purport to have been so made or drawn.

b. If you are sued for refusing to pay any instrument covered in Paragraph 2.a. on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3. **Inside the Premises**

a. We will pay for loss of **cash** and **securities** inside the **premises** or banking **premises** resulting directly from **theft**, disappearance or destruction. Provided, however, in the case of **theft**, the **theft** was committed by a person physically present in the **premises** or banking **premises** at the time of loss of such **cash** or **securities**.

b. We will pay for loss of and loss from damage to, **other property**:

(1) Inside the **premises** resulting directly from an actual or attempted **robbery** of a **custodian**; or

(2) Inside the **premises** in a safe or vault, resulting directly from an actual or attempted **safe burglary**.

c. We will pay:

(1) For loss from damage to the **premises** or its exterior; or

(2) For loss of, and loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located in the **premises**;

resulting directly from an actual or attempted **theft**, **robbery** or **safe burglary**, if you are the owner of the **premises** or are liable for damage to it.

4. **Outside the Premises**

We will pay for loss of and loss from damage to, **cash**, **securities** and **other property** outside the **premises** while in the care and custody of a **messenger** or armored motor vehicle company:

a. For **cash** and **securities** resulting from **theft**, disappearance or destruction; and

b. For **other property** resulting from actual or attempted **robbery**.

5. **Computer Hacking**

We will pay for loss resulting directly from your **cash** or the **cash** of your financial institution, with no action, authorization or intervention by an **employee**, having transferred **money**, **securities** or **other property** from your **premises** or financial institution **premises** to a person, entity, place or account outside of your control. Such transfer must result directly from unauthorized access into your **computer** or the **computer** of your financial institution through a network by misappropriating and using your access credentials, thereby causing the **computer** to effect such transfer.

6. **Money Orders and Counterfeit Paper Cash**

We will pay for loss resulting directly from your having accepted in good faith and in the regular course of business, in exchange for merchandise, money or services:

a. Money orders issued by any post office, express company or bank in the United States or Canada that are not paid upon presentation; or

b. **Counterfeit** United States or Canadian paper **cash**.

C. **DEFINITIONS**

1. **Access credentials** means information, items or characteristics necessary to gain access to your **cash** or the **cash** of your financial institution, and used to authenticate the user's identity, including, but not limited to, passwords, personal identification numbers, shared secrets, tokens and biometrics.

2. **Cash** means United States of Canadian bills and coins in current use and having a face value that are accepted by the United States or by the government of Canada as legal tender for the payment of debts.

3. **Computer** means electronic device or a group of devices that are capable of receiving **data** and performing a sequence of operations in accordance with a **computer program** to produce a result in the form of information or signals

4. **Computer program** means a set of related electronic instructions that direct the operations and functions of a **computer** that enable the **computer** to receive, process, store or send **data**

5. **Counterfeit** means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

6. **Cryptocurrency** means a digital or electronic medium of exchange, operating independently of a central bank, in which encryption techniques are used to regulate the generation of units and to verify the transfer of such units from one person to another.

7. **Custodian** means you, any of your officials or any **employee** while having care and custody of property inside the **premises**, excluding any person while acting as a **watchperson** or janitor.

8. **Data** means facts or information converted in a form usable in a **computer** by a **computer program** and capable of being stored in a **computer**.

9. **Employee** means:

   a. Any natural person:

      (1) While in your service or for 30 days after termination of service; and

      (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 temporarily to you to:

      (1) Substitute for a permanent **employee** as defined in (a) above who is on leave; or

      (2) Meet seasonal or short-term workload conditions;

      while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the **premises**.

   c. **Employee** does not mean any:

      (1) Agent, broker, person leased to you by a labor leasing firm (except when furnished on a temporary basis under the circumstances set forth in Definition **9.b.)**, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

      (2) Member of any legislative board or council or any advisory commission, except while performing acts within the scope of the usual duties of an **employee**.

10. **Financial institution premises** means the interior of that portion of any building occupied by a financial institution with which you have an account or which has custody of your money or **securities**.

11. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

14. Funds means money and **securities**.

15. **Messenger** means any of your officials or **employees** while having care and custody of property outside the **premises.**

16. **Money** means:

    a. **Cash**;

    b. Demand and savings deposits at financial institutions; and

    c. Travelers checks, register checks and money orders held for sale to the public.

17. **Network** means any **computer** communication systems, including the Internet, that allows the direct input, without any **employee** intervention, of **data** or **computer program**s from a **computer** to your **computer** or your financial institution's **computer**.

18. **Occurrence** means:

    a. As respects Insuring Agreement 1.all loss or losses caused by, or involving, any one **employee**, acting alone or in collusion with others.

    b. As respects Insuring Agreement 2.all loss or losses caused by any person or in which that person is involved, whether the loss involves one or more instruments.

    c. As respects all other Insuring Agreements, all loss or losses caused by:

        (1) Any number of acts, involving one person whether acting alone or in collusion with others;

        (2) Any number of acts involving a group of persons acting together; or

        (3) An act or event, or any number of related acts or events, not involving any identifiable person.

20. **Other property** means any tangible property other than money and **securities** that has intrinsic value but does not include any property excluded under this insurance.

21. **Payment order** means an instruction of a sender to a receiving bank, transmitted orally, electronically, or in writing, to pay, or to cause another bank to pay, a fixed or determinable amount of money to another person.

22. **Premises** means the interior of that portion of any building you occupy in conducting your business.

23. **Robbery** means the taking of property from the care and custody of a person by one who has:

    a. Caused or threatened to cause that person bodily harm; or

    b. In the presence of that person, caused or threaten to cause bodily harm to someone else.

24. **Safe burglary** means the taking of:

    a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or

    b. A safe or vault on the **premises** by a person without your permission.

25. **Securities** mean negotiable and nonnegotiable instruments or contracts representing either money or property and include:

    a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include money.

26. **Security procedure** means a procedure established by agreement of the Insured and its customer or financial institution for the purpose of (i) verifying that a **payment order**s is that of the Insured, or (ii) detecting error in the transmission or the content of the **payment order** or communication. A **security procedure** may require the use of algorithms or other codes, identifying words or numbers, encryption, callback procedures, or similar security devices.

27. **Theft** means any act of stealing.

28. **Vendor** means any entity or person that provides or has provided goods or services to you pursuant to an agreement that existed prior to the said provision of goods or services, not including a customer, automated clearing house, financial institution or armored car company.

29. **Watchperson** means any person you retain specifically to have care and custody of property on the **premises** and who has no other duties.

D. **EXCLUSIONS**

Applicable to All Insuring Agreements, Except as Indicated

We will not pay for loss as specified below:

1. **Acts Committed by You**

Loss resulting from any dishonest act committed by you whether acting alone or in collusion with other persons.

2. **Acts of Employees, Directors, Trustees or Representatives**

We will not pay for loss resulting from any dishonest act committed by any of your **employee**s, directors, trustees or authorized representatives:

a. Acting alone or in collusion with other persons; or

b. While performing services for you or otherwise; except when covered under Insuring Agreement 1.

3. **Fire**

Loss from damage to the **premises** resulting from fire however caused.

4. **Governmental Action**

Loss resulting from seizure or destruction of property by order of governmental authority.

5. **Indirect Loss**

Loss that is an indirect result of any act or **occurrence** covered by this Policy including, but not limited to, loss resulting from:

a. Your inability to realize income that you would have realized had there been no loss;

b. Payment of damages of any type for which you are legally liable unless you establish that the act or acts that gave

rise to the damages involved conduct which caused a covered loss of money, **securities** or **other property** which was in your custody and control and for which you were responsible prior to the loss; or

c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

6. **Legal Expenses**

Expenses related to any legal action, except when covered under Insuring Agreement 2.

7. **Nuclear Chemical or Biological**

Loss resulting from nuclear reaction, nuclear radiation or radioactive, chemical or biological contamination, or any related act or incident.

8. **War and Similar Actions**

Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

9. **Confidential Information**

Loss resulting from the **theft**, disappearance, destruction or disclosure of confidential information including, but not limited to, trade secrets, personal information, customer lists and intellectual property. For purposes of Insuring Agreement 5, confidential information cannot itself be the **other property** transferred, but a loss otherwise covered under Insuring Agreement 5 shall not be excluded by the fact that confidential information was used to gain access to your **computer** system or to the **computer** system of your financial institution, in order to cause the fraudulent transfer.

10. **Data** Breach Costs

Expenses related to your obligations to comply with federal and state privacy laws and Payment Card Industry **Data** Security Standards (if applicable) arising from a **data** security breach, including, but not limited to, expenses related to notifying affected individuals when the affected individual's personally identifiable financial or medical information was stolen, accessed, downloaded or misappropriated while in your care, custody or control, forensic audit expenses and fines and penalties.

11. **Cryptocurrency**

Loss resulting from the **theft**, disappearance or destruction of **cryptocurrency** or from the change in value of **cryptocurrency.**

12. **Voluntary Parting of Title to or Possession of Property**

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to part voluntarily with title to or possession of any property.

Applicable to Specific Insuring Agreements

We will not pay for loss as specified below:

1. **Under Insuring Agreement 1**

   a. **Prior Dishonesty**

   Loss resulting from the dishonest or fraudulent acts of an **employee** if you or any of your directors or officers who is not in collusion with such **employee**, knows or knew at any time prior to such loss of any prior dishonest or fraudulent act committed by such person, whether in the employment of you or otherwise, whether or not of the type covered under this Policy and without regard to whether the knowledge was obtained before or after the commencement of this Policy.

   b. **Bonded Employee**

   Loss caused by any **employee** required by law to be individually bonded.

   c. **Damages**

   Damages for which you are legally liable as a result of:

   (1) The deprivation or violation of the civil rights of any person by an **employee**; or

   (2) The tortious conduct of an **employee** except conversion of property of other parties held by you in any capacity.

   d. **Treasurer or Tax Collector**

   Loss caused by a treasurer or tax collector by whatever name known.

2. **Under Insuring Agreements 1 and 5**

   Inventory Shortages

   Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon:

   a. An inventory computation; or

   b. A profit and loss computation.

3. **Under Insuring Agreements 3 and 4**

   a. Accounting or Arithmetical Errors or Omissions

   Loss resulting from accounting or arithmetical errors or omissions.

   b. **Money Operated Devices**

   Loss of property contained in any money operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.

c. **Transfer or Surrender of Property**

(1) Loss of property after it has been transferred or surrendered to a person or place outside the **premises** or Banking **premises**:

(i) On the basis of unauthorized instructions; or

(ii) As a result of a threat to do:

(a) Bodily harm to any person; or

(b) Damage to any property.

(2) But, this exclusion does not apply under Insuring Agreement 4. To loss of money, **securities** and **other property** while outside the **premises** or banking **premises** in the care and custody of a **messenger** if you:

(i) Had no knowledge of any threat at the time the conveyance began; or

(ii) had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

d. **Vandalism**

Loss from damage to any safe, vault or **other property**, or to the **premises** or its exterior, by vandalism or malicious mischief.

4. **Under Insuring Agreement 4**

Motor Vehicles or Equipment and Accessories

Loss of motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

5. **Under Insuring Agreements 3 and 4**

a. **Exchanges or Purchases**

Loss resulting from the giving or surrendering of property in any exchange or purchase.

b. **Voluntary Parting of Title to or Possession of Property**

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to part voluntarily with title to or possession of any property.

6. **Under Insuring Agreement 5**

a. **Failure to Follow Security procedure**s

(1) Loss resulting from your failure to follow **security procedure**s agreed to in writing with your customer or your financial institution;

(2) loss that would have been avoided if you had accepted and followed commercially reasonable security procedures that your financial institution made available for your account or accounts involved in the loss; or

(3) Loss resulting from your failure to comply with **security procedure**s that you represented to us you would follow.

b. **Debit and Credit Cards**

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, or other cards.

E. **CONDITIONS**

Applicable to All Insuring Agreements

1. **Cancellation**

a. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.

b. We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

d. Notice of cancellation will state the effective date of cancellation. The Policy Period will end on that date.

e. If this Policy is canceled, 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.

f. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. **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 on behalf of all Insureds to agree with us on changes in the terms of this Policy. If the terms are changed, the changes will be shown in an endorsement issued by us and made a part of this Policy.

3. **Concealment, Misrepresentation or Fraud**

This Policy is void in any case of fraud by you as it relates to this Policy at any time. It is also void if any Insured, at any time, intentionally conceals or misrepresents a material fact concerning:

a. This insurance;

b. The covered property;

c. Your interest in the covered property; or

d. A claim under this insurance.

4. **Consolidation and Merger**

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity any additional persons become **employee**s or you acquire the use and the control of any additional **premises**:

a. You must give us written notice and obtain our written consent to extend this Policy to such additional **employee**s or **premises**. We may condition our consent upon payment of an additional premium; but

b. For the first 60 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, any insurance afforded for **employee**s or **premises** also applies to these additional **employee**s or **premises** for acts committed or events occurring within said 60 day period.

5. **Deductible**

a. We will not pay for loss in any one **occurrence** unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We then will pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event more than one Deductible Amount could apply to the loss, only the highest Deductible Amount will be applied.

b. For losses covered under Insuring Agreement 1 you must:

(1) Give us notice as soon as possible even though the loss falls entirely within the Deductible Amount; and

(2) Upon our request, give us a statement describing the loss.

6. **Discovery of Loss**

Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this Policy has been or will be incurred, even though the exact amount or details of the loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this insurance.

7. **Duties in the Event of Loss**

a. After you discover a loss or a situation that may result in a loss you must:

(1) Notify us as soon as possible;

(2) Submit to examination under oath at our request and give us a signed statement of your answers;

(3) Give us a detailed, sworn proof of loss within 120 days; and

(4) Cooperate with us in the investigation and settlement of any claim.

b. If you have reason to believe that any loss involves a violation of law, you must notify the police.

8. **Extended Period to Discover Loss**

a. We will pay for loss that you sustained prior to the effective date of termination or cancellation of this insurance, which is discovered by you within 60 days following the date of termination or cancellation.

b. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded by this Policy whether or not such insurance provides coverage for loss sustained prior to its effective date.

9. **Joint Insured**

a. The first Named Insured shown in the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums we pay.

b. If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes related to this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.

c. If any Insured or official of that insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

d. An **employee** of any Insured is considered to be an **employee** of every Insured.

e. If this Policy or any of its coverage is canceled or terminated as to any Insured, Condition E.8. Extended Period to Discover Loss applies separately to that Insured.

f. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

10. **Legal Action against Us**

You may not bring any legal action against us involving loss:

a. Unless you have complied with all the terms of this Policy; and

b. Until 90 days after you have filed proof of loss with us; and

c. Unless brought within 2 years from the date you discover the loss.

11. **Liberalization**

If we adopt any revision that would broaden the coverage under this Policy without additional premium within 45 days prior to or during the Policy Period, the broadened coverage will immediately apply to this insurance.

12. **Limit of Insurance**

The most we will pay for loss in any one **occurrence** is the applicable Limit of Insurance shown in the Declarations.

13. **Loss Covered Under More Than One Coverage**

If two or more coverages of this Policy apply to the same loss, we will pay the lesser of:

a. The actual amount of loss; or

b. The highest single Limit of Insurance applicable to those coverages.

14. **Non-Cumulation of Limit of Insurance**

Regardless of the number of years this Policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or Policy Period to Policy Period.

15. **Other Insurance**

a. This Policy does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this Policy will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity. However, this Policy will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

b. Under Insuring Agreement 4. we will pay only for the amount of loss that you cannot recover:

(1) Under your contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

6. **Ownership of Property, Interests Covered**

The property covered under this Policy is limited to property:

a. That you own or hold; or

b. That is owned and held by someone else under circumstances that made you responsible for the property prior to, and independent of, the loss.

However, this Policy is for your benefit only. It provides no rights or benefits to any other person or organization.

17. **Records**

You must keep records of all covered property so we can verify the amount of any loss.

18. **Recoveries**

a. Recoveries, whether affected by you or us, shall be applied, net of the expense of such recovery, in the following manner and order:

(1) to the satisfaction of your loss which would otherwise have been paid under this Policy but for the fact that it is in excess of the Limit of Insurance and the Deductible Amount, if any;

(2) Then to us, until we are reimbursed for the settlement made;

(3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any;

(4) Then to you for any loss not covered by this Policy.

b. Recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for our benefit.

c. If original **securities** are recovered after duplicates of such **securities** have been issued, the original **securities** shall be surrendered to us.

19. **Territory**

This Policy covers only acts committed or events occurring anywhere in the world.

20. **Transfer of Your Rights and Duties under This Policy**

Your rights and duties under this Policy may not be transferred without our written consent.

21. **Transfer of Your Rights of Recovery against Others to Us**

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You also must do everything necessary to secure those rights and do nothing after loss to impair our actual or potential rights of recovery.

22. **Valuation - Settlement**

a. Subject to the applicable Limit of Insurance provision we will pay for:

(1) Loss of money but only up to and including its face value. We may, at our option; pay for loss of money issued by any country other than the United States of America:

(i) At face value in the money issued by that country; or

(ii) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) Loss of **securities** but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

(i) Pay the value of such **securities**, or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those **securities**; or

(ii) Pay the cost of any Lost **Securities** Bond required in connection with issuing duplicates of the **securities**. However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

(a) Value of the **securities** at the close of business on the day the loss was discovered; or

(b) Limit of Insurance.

(3) Loss of, or loss from damage to, **other property** or loss from damage to the **premises** or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:

(i) The Limit of Insurance applicable to the lost or damaged property;

(ii) The cost to replace the lost or damaged property with property;

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

(iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

(4) We will not pay on a replacement cost basis for any loss or damage:

(i) Until the lost or damaged property actually is repaired or replaced; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage. If the lost or damaged property is not repaired or replaced, we will pay on an actual **cash** value basis.

b. We may, at our option, pay for loss of or loss from damage to, property other than money:

(1) In the money of the country in which the loss occurred; or

(2) In the United States of America dollar equivalent of the money of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

c. Any property that we pay for or replace becomes our property.

Applicable to Specific Insuring Agreements

1. Insuring Agreement 1

Cancellation as to Any Employee

Coverage under this Policy is canceled as to any **employee**:

a. Immediately upon discovery by:

(1) You; or

(2) any person who is an official or department or division head authorized to manage, govern or control your **employee**s in the performance of their duties and who is not in collusion with the **employee**;

Of any dishonest act committed by that **employee** whether before or after becoming employed by you. Whether such discovery occurs prior to or after commencement of this Policy, there is no coverage under Insuring Agreement 1 for loss or losses resulting from acts committed by that **employee** after the date of such discovery.

b. On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.
The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

2. **Insuring Agreement 2.**

a. Deductible

The deductible does not apply to legal expenses paid under Insuring Agreement 2.

b. **Facsimile Signatures**

We will treat a reproduction of a handwritten signature the same as handwritten signature. An electronic or digital signature is not treated as a reproduction of a handwritten signature.

c. **Proof of Loss**

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and an explanation of the absence of the instrument.

3. **Insuring Agreements 3 and 4**

Special Limit of Insurance for Specified Property

We only will pay up to $5,000 for any one **occurrence** of loss of, and loss from damage to:

a. Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or

b. Manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

4. **Insuring Agreement 5**

Special Limit of Insurance for Specified Property

We only will pay up to $5,000 for any one **occurrence** of loss of, and loss from damage to, manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

IN WITNESS WHEREOF, we have caused this Policy to be executed on the Declarations Page.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUDE DESIGNATED PERSONS OR CLASSES OF PERSONS AS EMPLOYEES

This Endorsement modifies the Crime Protection Policy.

1. **Employee** does not include the following person or class of persons:

   Board Secretaries and Board Treasurers.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHOOL SYSTEM

This endorsement modifies Crime Protection Policy.

Employee shall also include any student enrolled in a school under your jurisdiction while the student is handling or has possession of property or funds in connection with sanctioned student activities. Such a student shall not be considered a Treasurer or Tax Collector for purposes of Exclusion 1.d. of the Exclusions Applicable to Specific Insuring Agreements.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMEND CONFIDENTIAL INFORMATION AND DATA BREACH COSTS EXCLUSIONS

This endorsement modifies Crime Protection Policy.

1. The Confidential Information exclusion of the Exclusions Applicable to All Insuring Agreements is deleted and replaced by the following:

Confidential Information

Loss resulting from the theft, disappearance, destruction or disclosure of confidential information including, but not limited to, trade secrets, intellectual property, personal customer information, customer lists, and a customer's personally identifiable financial or medical information, whether such confidential information is owned by you or held by you in any capacity including concurrently with another person. For purposes of Insuring Agreement 5, confidential information cannot itself be the other property transferred, but a loss otherwise covered under Insuring Agreement 5 shall not be excluded by the fact that confidential information was used to gain access to your computer system, or to the computer system of your financial institution, in order to cause the fraudulent transfer.

2. The Data Breach Costs exclusion of the Exclusions Applicable to All Insuring Agreements is deleted and replaced by the following:

Data Breach Costs

Expenses related to your obligations arising from a data security breach, including, but not limited to, forensic audit expenses, fines, penalties, expenses to comply with federal and state laws and Payment Card Industry Data Security Standards (if applicable) and expenses related to notifying affected individuals when the affected individuals' personally identifiable financial or medical information was stolen, accessed, downloaded or misappropriated while in the insured's care, custody or control.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED ENDORSEMENT

This Endorsement applies to all Crime Insuring Agreements designated on the Declarations Page.

The Complete Named Insured is:

1. New Jersey Schools Insurance Group (NJSIG) as per the most current Named Insured List on file with the Company.

2. The Limit of Insurance is shown on the most current Named Insured List on file with the Company.

3. The Premium is shown on the most current Named Insured List on file with the Company.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONVERT TO AN AGGREGATE LIMIT OF INSURANCE

This endorsement applies to Section E. Conditions Item #12:

Limit of Insurance is replaced by the following:

12. Aggregate Limit of Insurance:

a. The most we will pay for loss in any one **Occurrence** is the applicable Limit of Insurance shown the Declarations.

b. The most we will pay in the Aggregate for all loss discovered during the Policy Period, regardless of the number of **Occurrences**, is the Aggregate Limit of $7,500,000.

c. **The Aggregate Limit of Insurance** shall be reduced by the amount of any payment made by us under the terms of this Insurance. If the Aggregate Limit of Insurance is exhausted, we will have no further liability to pay for loss which may be discovered during the remainder of the policy period.

d. Any recovery made by us after settlement of a loss covered by this Insurance shall not be used to increase or reinstate the **Aggregate Limit of Insurance**.

e. In the event a loss of covered property is settled by us through the use of a Lost Securities Bond, such loss shall not reduce the **Aggregate Limit of Insurance**.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADD FAITHFUL PERFORMANCE OF DUTY

This endorsement amends Section B INSURING AGREEMENTS:

Section B.1. Employee Dishonesty is amended to include:

We will pay for loss resulting directly from the failure of any Employee to faithfully perform his or her duties as prescribed by law, with the manifest intent to:

a. Cause You to sustain loss; and also

b. Obtain improper financial benefit (other than employee benefits received in the course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:

i. the Employee; or

ii. any person or organization intended by the Employee to receive that benefit, when such failure has as its direct and immediate result a loss of your covered property.

Section D.1. EXCLUSIONS, Applicable to Specific Insuring Agreements, is amended to include:

1. Under Insuring Agreement1:

e. Depository Failure: Loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.

f. Trading Losses means we will not pay for loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

The following additional provision is added:

Indemnification: Subject to the Limit of Insurance we will indemnify any of your officials who are required by law to give surety bonds for the Faithful Performance of their service against loss as principal on such surety bonds if the default under the surety bond is a result of dishonest or fraudulent acts of persons who serve under them, which cause a covered loss under this insurance. The covered loss and indemnification of the official resulting from the covered loss shall be considered an occurrence, provided, however, that the amount you receive under this insurance plus the amount you receive under such surety bond may not exceed your loss.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, limitations or provisions of the attached Policy other than as above stated.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REVISION TO THE BONDED EMPLOYEE EXCLUSION

The Exclusions Section applicable to Insuring Agreement #1 is revised with the addition of the following to Item 1.b.:

However, if an Employee holds multiple positions, coverage will be provided for loss caused by the Employee while performing duties that do not have a bonding requirement.

All other terms, conditions, and limitations of this Policy shall remain unchanged.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE VOLUNTEER WORKERS AS EMPLOYEES

This endorsement applies to Section C.5., the following provision is added:

Employee also includes any Non-Compensated natural persons:

1. Other than one who is a fund solicitor, while performing services for you that are usual to the duties of an Employee, or

2. While acting as a fund solicitor during fund raising campaigns.

3. PTA's, PTO's, HSA's, (Parent Teacher Associations, Parent/Teacher Organizations and Home and School Associations) specifically scheduled, while operating on behalf of schools within the school districts covered by this policy.

All other terms, conditions, and limitations of this Policy shall remain unchanged.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GLOBAL SANCTION ENDORSEMENT

Notwithstanding any other provision of this Policy, this insurance cannot provide coverage and the Insurer shall not be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such coverage or benefit, or the payment of such claim, would violate, conflict with, or expose the Insurer to any sanction, prohibition or restriction under United Nations resolutions or any applicable economic or financial sanctions or other trade laws or regulations, including, but not limited to, of the United States of America, European Union, United Kingdom, or Canada.

All other terms, conditions, and limitations of this Policy shall remain unchanged.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUDE ALL NON-FUNGIBLE TOKENS

This Endorsement modifies Crime Protection Policy for Public Entities

In consideration of the premium charged, it is agreed that the Policy is amended as follows:

A. The **Exclusions Applicable to All Insuring Agreements** is amended to include:

> It is agreed that this Policy does not afford coverage under any of the Insuring Agreements for any loss, damage, claim, occurrence, or suit arising out of, in whole or in part, or in any way related to, any **Non-Fungible Token**. All coverage for **Non-Fungible Tokens** is excluded from all Insuring Agreements.

B. The **Definitions** is amended to include:

Non-Fungible Token, also known as "NFT," means any unique digital identifier connected to any digital ledger technology which may be used to certify authenticity or ownership of anything, including but not limited to any digital, tangible, or intangible item, but cannot be substituted or exchanged for any similar item. However, the definition of **Non-Fungible Token** does not mean or include **Cryptocurrency**.

The title and any headings in this endorsement are solely for your convenience and form no part of the terms and conditions of coverage.

All other terms, conditions, and limitations of this Policy shall remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPUTER COVERAGE CLARIFICATION ENDORSEMENT

This Endorsement modifies insurance provided under e following:

CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

In consideration of the premium charged, it is agreed that the Policy is amended as follows:

1. Section **D. EXCLUSIONS Applicable to All Insuring Agreements, Except as Indicated**, is amended to add the following Exclusions:

Ransom

Loss relating directly or indirectly in any way to the demand or payment of ransom is excluded from all of the **Insuring Agreements** afforded in this Policy.

Social Engineering

We will not pay for loss resulting from, arising out of, in any way related to, or in whole or in part, involving any transfer, payment, or delivery of **Money**, **Securities**, or **Other Property** by an **Employee**, or arising out of any misrepresentation received by any **Insured** or any **Employee**, **Owner,** agent, independent contractor, or other representative of the **Insured**, or any customer or **Vendor**, whether such transfer, payment, or delivery was made in good faith, or as a result of trick, artifice, fraud, or false pretenses.

All other terms, conditions, and limitations of this Policy shall remain unchanged.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIRTUAL OR ON-LINE PEER TO PEER MEDIUMS OF EXCHANGE EXCLUSION

This Endorsement applies to Crime Protection Policy.

The following is added to **D. EXCLUSIONS**:

Applicable to all Insuring Agreements, Except as Indicated

We will not pay for loss as specified below:

Loss of virtual or on-line peer to peer mediums of exchange.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, limitations or provisions of the attached Policy other than as above stated.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADD FALSE UNEMPLOYMENT CLAIMS EXCLUSION

This Endorsement modifies Crime Protection Policy

In consideration of the premium charged, it is agreed the Policy is amended as follows:

It is agreed that this Policy does not afford coverage under any of the Insuring Agreements for any loss, damage, claim, "occurrence," or suit arising out of, in whole or in part, or in any way related to, arising out of, unemployment insurance or unemployment insurance fraud.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, limitations or provisions of the attached Policy other than as above stated.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADD VIRUS OR BACTERIA EXCLUSION

This Endorsement modifies Crime Protection Policy

In consideration of the premium charged, it is agreed the Policy is amended as follows:

It is agreed that this Policy does not afford coverage under any of the Insuring Agreements for
Loss or damage caused by or resulting from, whether directly or indirectly, any virus, bacterium, or other microorganism that induces or is capable of inducing physical distress, illness, or disease.

NEW JERSEY SCHOOLS INSURANCE GROUP

ARTICLE IV CRIME PROTECTION POLICY FOR PUBLIC ENTITIES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IN WITNESS CLAUSE

In Witness Whereof, we have caused this Policy to be executed and attested, and, if required by state law, this Policy shall not be valid unless countersigned by our authorized representative.

Jill Deitch, Esq.
Executive Director

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 2 – ELECTRONIC DATA PROCESSING COVERAGE FORM

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

Throughout this policy, 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. Other words and phrases that appear in quotation marks have special meaning. Refer to Section G-Definitions.

A. COVERAGE

1. The insurance provided by this Coverage Part applies to risks of direct physical loss or damage to "covered property" unless the loss is excluded in Section B., Exclusions.

a. "Covered Property" means any "data processing equipment," "data" or "media" that:

(1) You own;

(2) You lease; or

(3) Is in your care, custody or control and for which you are legally liable;

while at a premises scheduled with NJSIG, except as specifically provided for under Duplicates coverage and Transit/Off Premises coverage to the extent in transit and away from premises, while in the possession of an employee or carrier for hire.

2. Coverages Provided.

The following coverages are provided if a limit is shown in Declarations.

The covered cause of loss must occur during the Policy Period.

a. Data Processing Equipment.

We will pay for direct physical loss or damage to "data processing equipment" at the locations on file with us.

b. Data and Media.

We will pay for direct physical loss or damage to "data" and "media" at the locations on file with us.

c. Extra Expense.

We will pay the reasonable "extra expense" during the "Period of Restoration" that you would not have incurred if there had been no physical loss, to maintain or replace your data processing capability when such capability would otherwise be reduced or interrupted due to loss of any of the following:

(1) Your "Covered Property";

(2) Buildings on your premises in which your "covered property" is located:

(3) Air conditioning systems for covered "data processing equipment";

(4) Electrical systems that supply covered "data processing equipment"; or

(5) Data transmission systems used to transmit "data" between two or more units of your "data processing equipment."

d. Business Income.

(1) We will pay your actual loss of "Business Income" during the "Period of Restoration" that you would have incurred if there had been no physical loss that results directly from the necessary total or partial interruption of your business.

(2) We will also pay any necessary expenses you incur during the "Period of Restoration" to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(3) We will consider the actual experience of your business before the loss and the probable experience you would have had without the loss in determining the amount of our payment.

(4) This coverage continues until the date the "Covered Property" is repaired or replaced.

e. Duplicates.

We will pay for loss or damage to duplicate and backup "data" and "media" that is "Covered Property" and that is in separate storage locations

located at least 100 feet from the covered location.

f. Transit/Off Premises Coverage.

We will pay for loss or damage to "Covered Property" while it is in transit or off premises at a temporary location while in your possession or in the possession of an employee or carrier for hire. We will not pay for any associated "Extra Expense" or loss of "Business Income."

g. Debris Removal.

We will pay for the necessary cost of removal of debris of "Covered Property" destroyed or damaged by loss covered under this Coverage Part.

h. Newly Acquired Covered Property.

We will pay for loss or damage to "Covered Property" that is acquired by you after this Coverage Part has taken effect.

You agree to notify us as soon as possible of the 100% replacement value of such newly acquired "Covered Property" and to pay an additional premium, if required, from the day you acquired it.

i. Newly Acquired Premises.

We will automatically provide coverage at newly acquired premises you have purchased or leased during the policy period.

This automatic coverage begins at the time you acquire the property and continues for a period not to exceed 120 days and is subject to the following conditions:

(1) You agree to pay an additional premium determined by us. Such additional premium will be computed from the date of acquisition.

(2) You report the location to us no later than 120 days for this coverage after the date you acquire the location.

(3) Insurance under this coverage for each newly acquired location will end when any of the following first occurs:

(a) This Policy expires; or

(b) The number of days specified in the Declarations for this coverage expires after you acquire the location.

(4) If limits or deductibles vary by location, the highest limits and deductibles will apply.

B. EXCLUSIONS

We will not pay for loss or damage caused by or resulting from the following, even though any other cause or event contributes concurrently or in any sequence to the loss:

1. Depletion, deterioration, corrosion, erosion, wear and tear, faulty materials or design errors. But if loss or damage not otherwise excluded results, we will pay for that resulting loss or damage.

2. Loss caused by surge, lightning or mechanical breakdown, unless at the time of loss there is an "approved surge suppression device" installed between "covered property" and any electrical, data or telecommunications lines.

3. Any increase in loss caused by or resulting from enforcement of any ordinance, law, regulation, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation.

4. Any earth movement unless designated in the declarations, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, mudslide, earth sinking, or volcanic action.

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

6. War, including undeclared or civil war.

7. 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

8. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

9. Strikers or anyone else at the site of your property that interferes with your efforts to fix the damage or resume your normal business operations.

10. The suspension, cancellation or lapse of any lease, license, contract or order.

11. A delay in or interruption of any business, manufacturing or processing activity, except as provided in Business Income coverage.

12. Any loss of market.

13. Any other indirect result of a loss to "covered property."

14. Dishonest, fraudulent or criminal acts of you or your partners, officers, trustees, employees or directors.

15. Programming errors. This includes the inability of a program to function properly beyond a naturally occurring calendar date.

16. Loss to accounts, bills, checks, valuable papers, records, abstracts, deed or manuscripts, unless such records are in "data" form.

17. Loss to "data processing equipment" contained on or installed in rolling stock, watercraft, aircraft, spacecraft or motor vehicles licensed for highway use.

18. Loss to property of others that you lease or is in your care, custody or control and for which you are legally liable, when such loss is covered by a policy or coverage part the owner has or is required to have under the lease or rental agreement, whether collectible or not.

19. Loss caused by your failure to use all reasonable means to protect "covered property" that has been damaged or to resume business that has been interrupted.

20. Loss or damage to "covered property" while it is being serviced or repaired.

21. Loss or damage to "covered property" held by you for sale or lease.

22. Theft from any unattended vehicle.

23. Any and all acts of terrorism committed by a person or persons acting either individually or on behalf of or in connection with any organization or group.

"Terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or a communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

Terrorism shall also include any act which is verified or recognized by the United States Government as an act of terrorism.

In any action, suit or other proceeding, where the Group alleges that by reason of the provisions of this exclusion, any loss or damage is not covered by this insurance, the burden or proving that such loss or damage is covered shall be upon the insured.

However, this exclusion shall only apply to losses in excess of the Non Certified Terrorism Limit in the declarations. The coverage provided under this exception shall not apply to NBCR Terrorist Activity.

"NBCR Terrorist Activity" means any deliberate, unlawful act that:

a. includes, involves, or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any nuclear, biological, chemical, or radioactive agent, material, device or weapon except where the insured can demonstrate to the Group, that such activities or threats thereof were motivated solely by personal objectives of the perpetrator that are unrelated, in whole or in part, to any intention to:

(1) promote, further or express opposition to any political, ideological, philosophical, racial, ethnic, social or religious cause or objective;

(2) influence, disrupt or interfere with any government related operations, activities or policies;

(3) intimidate, coerce or frighten the general public or any segment of the general public; or

(4) disrupt or interfere with a national economy or any segment of a national economy; or

b. includes, involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any nuclear, biological, chemical or radioactive agent, material, device or weapon that is declared by an authorized governmental official to be or to involve terrorism, terrorist activity or acts of terrorism.

Additionally, this exclusion shall apply only after the Group has expended $1,000,000 per occurrence and in the aggregate annually from all lines of coverage, in the payment of claims that would otherwise have been excluded under this exclusion. This sub limit is a part of and not in addition to the sub limit provided in the property section.

24. The use or misuse of the Internet or similar facilities; Internet means the worldwide public network of computers as it currently exists or may be manifested in the future, including the Internet, and intranet, an extranet or a virtual private network.

The electronic transmission of data or other information;

Any malicious code or similar problem;

The use of or misuse of any Internet address, Website, computer system, network of computers or similar facility;

Any data or other information posted on a Website, Internet, intranet, local area network, virtual private network or similar facility;

Any loss/damage of data or to any computer system, including but not limited to hardware or software (unless such loss or damage is caused by a peril covered herein);

The functioning or malfunctioning of the Internet, intranet, local area network, virtual private network or similar facility, or of any Internet address, Website or similar facility (unless such malfunctioning is caused by a peril covered hereon); or

Any infringement, whether intentional or unintentional, of any intellectual property rights (including but not limited to trademark, copyright or patent).

25. All loss, cost or expense directly or indirectly arising out of, resulting from or in any manner related to Fungal Pathogens whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.
"Fungal Pathogens" means any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to, mold, mildew, mycotoxins, spores or any biogenic aerosols.

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

27. This policy does not cover any loss, damage, cost claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

a. The calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, program, or software and/or any microchip, integrated circuit or similar device in computer equipment or non–computer equipment, whether the property of the insured or not; or

b. Any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

28. Unexplained loss, mysterious disappearance or loss or shortage disclosed on taking inventory.

C. LIMITS OF INSURANCE

Any payment made under this Coverage Part will not be increased if more than one insured is shown in the Declarations.

If two or more limits apply to the same portion of a loss, we will only pay the smaller limit.

1. Electronic Data Processing Equipment Limit. The most we will pay for loss and expense arising from any one "occurrence" is the amount shown as the Data Processing Equipment Limit in the Declarations. This total limit applies to all coverages under this Policy.

2. Coverage Limits. The limit of your insurance under each of the coverages from loss or expense arising from any one "occurrence" is that amount shown in the Declarations for that coverage. These limits are a part of, and not in addition to, the Data Processing Equipment Limit.

D. DEDUCTIBLE

1. In each occurrence of loss or damage covered by this Policy, this Group shall not be liable unless the Insured sustains a loss in excess of the deductible amount stated in the Declarations or elsewhere in this Policy and then only for its share of such excess.

2. However, the following deductible will apply each occurrence for:

a. Flood: the deductible for the peril of flood other than buildings within or partially within a Special Flood Hazard Area (SFHA): a $10,000 deductible shall apply to losses incurred unless a larger deductible is stated in the Declarations, in which case the larger deductible shall apply.

b. Flood: an additional deductible shall apply per building and per building for its contents within or partially within a Special Flood Hazard Area: For any covered property eligible for National Flood Insurance Program (NFIP), coverage

afforded under this coverage agreement is excess of the maximum limit of coverage which could have been purchased through NFIP, whether purchased or not.

3. A Special Flood Hazard Area (SFHA) generally means a High Risk Area or a High Risk Coastal Area. These properties are typically assigned to:

a. Zone A, AO, AH, A1 through 30, AE, A99, AR, AR/A1 through 30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1 through 30, VE; or

b. a similar high risk rating by or through cooperation or contract with the Federal Emergency Management Agency (FEMA) or a successor or equivalent organization.

4. It is further agreed that the Special Flood Hazard Area (SFHA) designated at the inception of the policy period shall remain the designated SFHA until expiration.

E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Abandonment.

There can be no abandonment of any property to us.

2. Appraisal.

If we admit liability for a loss and we and you disagree on the value of the property or "business income," either may make written demand for an appraisal or 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 or "business income." 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:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

3. Duties In the Event of Loss or Damage.

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

a. Notify the police if a law may have been violated;

b. Give us prompt notice of the loss or damage,, but no later than 90 days from the date of loss or damage, including:

(1) The make, model and serial number of the "data processing equipment";

(2) The make, model and serial number of the surge suppression device that the damaged equipment was connected to at the time of the loss; and

(3) A description of any damaged "data" or "media";

c. As soon as possible, give us a description of how, when, and where the loss or damage occurred;

d. Allow us a reasonable time and opportunity to examine the property and premises before repairs are undertaken or physical evidence of the loss is removed. But you must take whatever measures are necessary for protection from further damage;

e. Permit us to inspect the property and records. Also permit us to take samples of damaged and undamaged property for inspections, testing and analysis;

f. If requested, permit us to question you under oath, at such times as may be reasonably required about any matter relating to this insurance or your claim including your books and records. In such event, your answers must be signed;

g. Send us a signed, sworn proof of loss within 60 days after our request for same. We will supply you with the necessary forms. Should you wish to supplement your proof of loss to request additional payment for the claim, you must submit an amended, signed, and sworn proof of loss for the claim no later than one (1) year from the date of loss or damage;

h. Cooperate with us in the investigation and settlement of the claim;

i. Promptly send us any legal papers or notices received concerning the loss or damage; and

j. Make no statement that will assume any obligation or admit any liability, for any loss or damage for which we may be liable, without our consent.

We may examine any insured under oath, while not in the presence or any other insured and at such time 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.

4. Reducing Your Loss.

You must reduce your loss, if possible, by:

a. Using all reasonable means to protect "covered property" that has been damaged;

b. Resuming business that has been interrupted;

c. Using merchandise or other property available to you;

d. Using the property or services of others; or

e. Salvaging the damaged property.

5. Salvage and Recoveries.

When, in connection with any loss under this Coverage Part, any salvage or recovery is received subsequent to the payment of such loss, the loss shall be refigured on the basis on which it would have been settled had the amount of salvage or recovery been know at the time the loss was originally determine. Any amounts thus found to be due either party from the other shall be paid promptly.

6. Valuation.

a. Data Processing Equipment.

Our payment for damaged "data processing equipment" will be the smallest of:

(1) The cost at the time of the loss to repair the damaged property with property of like kind and quality;

(2) The cost at the time of the loss to replace the damaged property on the same site with other property of like kind and quality and used for the same purpose; or

(3) The amount you actually spend that is necessary to repair or replace the damaged property.

We will not pay for:

(1) Property that is obsolete or useless to you; or

(2) Any extra cost if you decide to repair or replace the damaged property with property of a better kind or quality or of a larger capacity.

If you do not repair or replace the damaged property within 24 months after the date of the loss, then we will pay only the smaller of the:

(1) Cost it would have taken to repair the damaged property; or

(2) Actual cash value at the time of the loss. Actual cash value is defined as replacement cost less depreciation.

b. Data and Media.

We will pay either:

(1) The actual cost of reproducing the "data" and "media"; or

(2) If you do not reproduce the "data," the blank value of the "media."

This includes "data" representing financial documents. We will not pay based on their face value.

We will not pay to reproduce original software programs.

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Additional Insured.

If a person or organization is designated in this Coverage Part as an additional insured, we will consider them to be an insured under this Coverage Part only to the extent of their interest.

2. Bankruptcy.

The bankruptcy or insolvency of you or your estate will not relieve us of any obligation under this Coverage Part.

3. Concealment, Misrepresentation or Fraud.

We will not pay for any loss if you or any other Named Insured at any time intentionally conceal or misrepresent a material fact concerning:

a. This Coverage Part;

b. The "covered property," including the value of such property reported to us;

c. Your interest in the "covered property"; or

d. A claim under this Coverage Part

4. Legal Action Against Us.

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

a. There has been full compliance with all the terms of this Policy; and

b. The action is brought within 12 months after the date of the "occurrence"; or

c. We agree in writing that you have an obligation to pay for damage to "covered property" of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this Policy to bring us into an action to determine your liability.

5. Liberalization.

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

6. Loss Payable.

a. We will pay you and the loss payee shown in the Declarations for loss covered by this Coverage Part, as interests may appear. The insurance covers the interest of loss payee unless the loss results from conversion, secretion or embezzlement on your part.

b. We may cancel the policy as allowed by the Cancellation Condition. Cancellation ends this agreement as to the loss payee's interest. If we cancel, we will mail you and the loss payee the same advance notice.

c. If we make any payment to the loss payee, we will obtain their rights against any other party.

7. Mortgage Holders.

a. The term mortgage holder includes trustee.

b. We will pay for direct damage to "covered property" to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the "covered property."

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:

(1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership or occupancy or substantial change in risk knows to the mortgage holder. All of the terms of this coverage part then apply directly to the mortgage holder.

e. If we pay the mortgage holder for any loss and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

(1) The mortgage holder's right under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgage holder at least:

(1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

8. Other Insurance.

a. You may have other Computer Systems or Data Processing insurance. If you do, this Coverage Part provides excess insurance. This means that we pay only after the other Computer Systems or Data Processing insurance is exhausted.

b. You may have other Extra Expense or Business Income insurance. If you do, this Coverage Part provides excess insurance. This means that we pay only after the Extra Expense or Business Income insurance is exhausted.

c. You may have other insurance that is not Computer Systems or Data Processing insurance or Extra Expense or Business Income insurance. Such insurance may apply to the same loss as insurance under this Coverage Part. If so, this Coverage Part provides primary insurance. This means that we pay your covered loss up to the applicable limit.

In no case will we pay more than the applicable limits.

9. Policy Period, Coverage Territory.

Under this Coverage Part:

a. The loss must occur:

(1) During the Policy Period shown in the Declarations; and

(2) Within the Coverage Territory.

b. The Coverage Territory is:

(1) The United States of America (including its territories and possessions);

(2) Puerto Rico; and

(3) Canada.

10. Privilege to Adjust with Owner.

In the event of loss or damage involving property of others in your care, custody or control, we have the right to settle the loss or damage with respect to such property with the owner of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.

11. 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:

a. Prior to a loss to your "covered property."

b. After a loss to your "covered property" only if, at time of loss, that party is one of the following:

(1) Someone insured by this insurance; or

(2) A business firm:
(a) Owned or controlled by you; or

(b) That owns or controls you.

G. DEFINITIONS

1. "Approved Surge Suppression Device" means a surge suppression device that is Underwriters Laboratory (UL) listed and that bears any of the following words or abbreviations:

a. Transient Voltage Surge Suppresser or TVSS;

b. Uninterruptable Power Supply or UPS; or

c. Secondary Protector for Communication Circuits.

2. "Business Income" means the sum of:

a. The Net Income (net profit or loss before income taxes) that would have been earned or incurred; and

b. Continuing normal operating expenses incurred, including employee payroll.

3. "Covered Property" is defined in A.1.a.,

4. "Data" means information or instructions stored in digital code capable of being processed by machinery.

5. "Data Processing Equipment" means electronic computers and peripheral equipment used in conjunction with such computers. "Data processing equipment" does not mean any of the following:

a. Equipment used to provide building utility service, other than communications or data processing.

b. Equipment used to manufacture products other than "data"; or

c. Equipment used to provide a service other than data processing or communications.

6. "Extra Expense" means the additional cost you incur to operate your business during the interruption over and above the cost that normally would have been incurred to operate the business during the same period had no loss occurred.

7. "Flood" means surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not.

8. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

9. "Occurrence" shall mean any one loss, disaster or casualty or series of losses, disasters or casualties arising out of one event. However, as respects the perils of "flood" and earthquake, the term "occurrence" shall mean the sum total of all losses sustained by you as the result of damage from these perils which arise during a continuous period of one hundred sixty eight (168) hours.

10. "Period of Restoration" means the period of time that begins immediately after the time of direct physical loss or damage to Covered Property at the described premises, and ends on the earlier of the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed or similar quality; or the date when business is resumed at a new permanent location.

11. "Suit" mean civil proceeding to which this insurance applies and includes:

a. An arbitration proceeding in which damages are claimed and to which you must submit or do submit with our consent; or

b. Any other alternative dispute resolution proceeding in which damages are claimed and to which you submit with our consent.

NEW JERSEY SCHOOLS INSURANCE GROUP
Article 3
Equipment Breakdown Coverage Form

New Jersey Schools Insurance Group

Insuring Agreement

In consideration of the payment of the premium and subject to all terms and conditions of this coverage part, we agree with you to provide the insurance as stated in this policy.

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

Throughout this policy, 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. Other words and phrases that appear in quotation marks have special meaning. Refer to Section G - DEFINITIONS. Examples are shown for illustrative purposes only and do not represent predicted or expected outcomes.

A. COVERAGE

This Equipment Breakdown Coverage provides insurance for a Covered Cause of Loss as defined in A.1. below. In the event of a Covered Cause of Loss, we will pay for loss as described in A.2. below.

1. Covered Cause of Loss – "Accident"

The Covered Cause of Loss for this Equipment Breakdown Coverage is an "accident." Without an "accident," there is no Equipment Breakdown Coverage.

a. **"Accident"** means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:

(1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;

(2) Artificially generated electrical current, including electrical arcing, that damages electrical devices, appliances or wires;

(3) Explosion, other than combustion explosion, of steam boilers, steam piping, steam engines or steam turbines;

(4) An event inside steam boilers, steam pipes, steam engines or steam turbines that damages such equipment;

(5) An event inside hot water boilers or other water heating equipment that damages such equipment; or

(6) Bursting, cracking or splitting.

"Accident" does not include any condition or event listed in Definition G.1.b.

b. **"Covered Equipment"** means the following:

(1) Unless specified otherwise in the Declarations:

(a) Equipment that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or

(b) Equipment which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

(2) Except as specifically provided for under Off Premises Property Damage, Service Interruption, Contingent Business Income, paragraph (2) of Perishable Goods and Civil Authority, such equipment must be at a location described in the Declarations and must be owned or leased by

you or operated under your control.

"Covered equipment" does not include any property listed in Definition G.8.b.

2. Coverages Provided

This section lists the coverages that may apply in the event of an "accident." Each coverage is subject to a specific limit as shown in the Declarations. See paragraph C.2. for details.

These coverages apply only to the direct result of an "accident." For each coverage, we will pay only for that portion of the loss, damage or expense that is solely attributable to the "accident."

a. Property Damage

We will pay for physical damage to "covered property" that is at a location indicated in the Declarations at the time of the "accident."

b. Off Premises Property Damage

If you have transportable "covered equipment" that, at the time of the "accident," is within the Coverage Territory, but is not:

(1) At a location indicated in the Declarations; or

(2) At any other location owned or leased by you,

we will pay for physical damage to such "covered equipment."

c. Business Income

(1) We will pay your actual loss of "business income" during the "period of restoration" that results directly from the necessary total or partial interruption of your business.

(2) We will also pay any necessary expenses you incur during the "period of restoration" to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(3) We will consider the actual experience of your business before the "accident" and the probable experience you would have had without the "accident" in determining the amount of our payment.

d. Extra Expense

We will pay the reasonable and necessary "extra expense" to operate your business during the "period of restoration."

e. Service Interruption

We will pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of an "interruption of service."

f. Contingent Business Income

We will pay for your loss and expense as defined under Business Income and Extra Expense coverages that results from an "interruption of supply."

g. Perishable Goods

(1) We will pay for physical damage to "perishable goods" due to "spoilage."

(2) We will also pay for physical damage to "perishable goods" due to "spoilage" that is the result of an "interruption of service."

(3) We will also pay for physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia.

(4) We will also pay any necessary expenses you incur during the "period of restoration" to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

h. Data Restoration

(1) We will pay for your reasonable and necessary cost to research, replace or restore lost "data."

(2) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of h.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Data Restoration limit.

i. Demolition

(1) This coverage applies if an "accident" damages a building that is "covered property" and the loss is increased by an ordinance or law that:

(a) Requires the demolition of a building that is otherwise reparable;

(b) Is in force at the time of the "accident"; and

(c) Is not addressed under Hazardous Substances coverage.

(2) We will pay for the following additional costs to comply with such ordinance or law:

(a) Your actual and necessary cost to demolish and clear the site of the undamaged parts of the building; and

(b) Your actual and necessary cost to reconstruct the undamaged parts of the building.

(3) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the "accident."

(4) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of i.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Demolition limit.

j. Ordinance or Law

(1) This coverage applies if an "accident" damages a building that is "covered property" and the loss is increased by an ordinance or law that:

(a) Regulates the construction or repair of buildings, including "building utilities";

(b) Is in force at the time of the "accident"; and

(c) Is not addressed under Demolition coverage or Hazardous Substances coverage.

(2) We will pay for the following additional costs to comply with such ordinance or law:

(a) Your actual and necessary cost to repair the damaged portions of the building;

(b) Your actual and necessary cost to reconstruct the damaged portions of the building; and

(c) Your actual and necessary cost to bring undamaged portions of the building into compliance with the ordinance or law.

(3) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the "accident."

(4) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of j.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Ordinance or Law limit.

k. Expediting Expenses

With respect to your damaged "covered property," we will pay the reasonable extra cost to:

(1) Make temporary repairs; and

(2) Expedite permanent repairs or permanent replacement.

l. Hazardous Substances

(1) We will pay for the additional cost to repair or replace "covered property" because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property. This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in Perishable Goods, A.2.g.(3).

(2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

(3) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of l.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Hazardous Substances limit.

m. Newly Acquired Locations

(1) You will notify us promptly of any newly acquired location that you have purchased or leased during the Policy Period.

(2) All coverages applicable to any scheduled location under this Equipment Breakdown Coverage are extended to a newly acquired location that you have purchased or leased during the Policy

Period.

(3) This coverage begins at the time you acquire the property. As respects newly constructed properties, we will only consider them to be acquired by you when you have fully accepted the completed project.

(4) This coverage ends when any of the following first occurs:

(a) This Policy expires;

(b) The number of days specified in the Declarations for this coverage expires after you acquire the location;

(c) The location is incorporated into the regular coverage of this policy; or

(d) The location is incorporated into the regular coverage of another Equipment Breakdown policy you have.

(5) If limits or deductibles vary by location, the highest limits and deductibles will apply to newly acquired locations. However, the most we will pay for loss, damage or expense arising from any "one accident" is the amount shown as the Newly Acquired Locations limit in the Declarations.

(6) We will charge you additional premium for newly acquired locations from the date you acquire the property.

n. Course of Construction

This coverage is automatically included and does not need to be indicated in the Declarations.

(1) You will notify us promptly of any expansion or rehabilitation of any location described in the Declarations.

(2) All coverages applicable to any location described in the Declarations are extended to an expansion or rehabilitation of that location.

(3) This coverage begins at the time you begin the expansion or rehabilitation project.

(4) We will charge you additional premium for newly acquired equipment from the date the equipment is installed.

o. Civil Authority

We will pay for your loss and expense as defined under Business Income and Extra Expense coverages that results from a civil authority prohibiting access to a location described in the Declarations due solely to an "accident" that causes damage to property within one mile of such location, provided that such action is taken in response to dangerous physical conditions resulting from the "accident," or to enable a civil authority to have unimpeded access to the damaged property.

B. EXCLUSIONS

We will not pay for any excluded loss, damage or expense, even though any other cause or event contributes concurrently or in any sequence to the loss, damage or expense.

1. We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an "accident."

a. Fire and Explosion

(1) Fire, including smoke from a fire.

(2) Combustion explosion. This includes, but is not limited to, a combustion explosion of any steam boiler or other fired vessel.

(3) Any other explosion, except as specifically provided in A.1.a.(3).

b. Ordinance or Law

The enforcement of, or change in, any ordinance, law, regulation, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation, except as specifically provided in A.2.i., j. and l. (Demolition, Ordinance or Law and Hazardous Substances coverages).

c. Earth Movement

Earth movement, whether natural or human-made, including but not limited to earthquake, shock, tremor, subsidence, landslide, rock fall, earth sinking, sinkhole collapse or tsunami.

d. Nuclear Hazard

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

e. War and Military Action

(1) War, including undeclared or civil war;

(2) 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

(3) Insurrection, rebellion, revolution, usurped power, political violence or action taken by governmental authority in hindering or defending against any of these.

f. Water

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslide or mudflow; or

(3) Water that backs up or overflows from a sewer, drain or sump.

However, if electrical "covered equipment" requires drying out because of the above, we will pay for the amount you actually expend to dry out such equipment, subject to the applicable Property Damage limit and Direct Coverage deductible. We will not pay more than the Actual Cash Value of the affected electrical "covered equipment." We will not pay to replace such equipment or for any other loss, damage or expense.

g. Failure to Protect Property

Your failure to use all reasonable means to protect "covered property" from damage following an "accident."

h. Fines

Fine, penalty or punitive damage.

i. Mold

Mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean-up, remediation, containment, removal or abatement of such mold, fungus, mildew, yeast, spores or toxins. However, this exclusion does not apply to "spoilage" of personal property that is "perishable goods" to the extent that such "spoilage" is covered under Perishable Goods coverage.

j. Vandalism

Vandalism, meaning a willful and malicious act that causes damage or destruction.

2. We will not pay for an "accident" caused by or resulting from any of the following causes of loss:

a. Lightning.

b. Windstorm or Hail. However, this exclusion does not apply when:

(1) "Covered equipment" located within a building or structure suffers an "accident" that results from wind- blown rain, snow, sand or dust; and

(2) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.

c. Collision or any physical contact caused by a "vehicle." This includes damage by objects falling from aircraft. However, this exclusion does not apply to any unlicensed "vehicles" which you own or which are operated in the course of your business.

d. Riot or Civil Commotion.

e. Leakage or discharge of any substance from an automatic sprinkler system, including collapse of a tank that is part of the system.

f. Volcanic Action.

g. An electrical insulation breakdown test.

h. A hydrostatic, pneumatic or gas pressure test.

i. Water or other means intended to extinguish a fire, even when such an attempt is unsuccessful.

j. Elevator collision.

3. We will not pay for an "accident" caused by or resulting from any of the following perils, if such peril is a covered cause of loss under another coverage part or policy of insurance you have, whether collectible

or not, and without regard to whether or not the other coverage part or policy of insurance provides the same coverage or scope of coverage as this policy.

a. Falling Objects.

b. Weight of Snow, Ice or Sleet.

c. Water Damage, meaning discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or steam.

d. Collapse.

e. Breakage of Glass.

f. Freezing caused by cold weather.

g. Discharge of molten material from equipment, including the heat from such discharged material.

4. Exclusions 2. and 3. do not apply if all of the following are true:

a. The excluded peril occurs away from any location described in the Declarations and causes an electrical surge or other electrical disturbance;

b. Such surge or disturbance is transmitted through utility service transmission lines to a described location;

c. At the described location, the surge or disturbance results in an "accident" to "covered equipment" that is owned or operated under the control of you or your landlord; and

d. The loss, damage or expense caused by such surge or disturbance is not a covered cause of loss under another coverage part or policy of insurance you have, whether collectible or not, and without regard to whether or not the other coverage part or policy of insurance provides the same coverage or scope of coverage as this policy.

5. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:

a. Loss associated with business that would not or could not have been carried on if the "accident" had not occurred;

b. Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business;

c. That part of any loss that extends beyond or occurs after the "period of restoration." This includes, but is not limited to:

(1) "Business income" that would have been earned after the "period of restoration," even if such loss is the direct result of the suspension, lapse or cancellation of a contract during the "period of restoration"; and

(2) "Extra expense" to operate your business after the "period of restoration," even if such loss is contracted for and paid during the "period of restoration."

d. Any increase in loss resulting from an agreement between you and your customer or supplier. This includes, but is not limited to, contingent bonuses or penalties, late fees, demand charges, demurrage charges and liquidated damages.

6. With respect to Off Premises Property Damage coverage, Service Interruption coverage, Contingent Business Income coverage, paragraph (2) of Perishable Goods coverage and Civil Authority coverage, we will also not pay for an "accident" caused by or resulting from any of the perils listed in Exclusion 3. above, whether or not such peril is a covered cause of loss under another coverage part or policy of insurance you have.

7. With respect to Data Restoration coverage, we will also not pay to reproduce:

a. Software programs or operating systems that are not commercially available; or

b. "Data" that is obsolete, unnecessary or useless to you.

8. With respect to Demolition and Ordinance or Law coverages, we will also not pay for:

a. Increased demolition or reconstruction costs until they are actually incurred; or

b. Loss due to any ordinance or law that:

(1) You were required to comply with before the loss, even if the building was undamaged; and

(2) You failed to comply with;

whether or not you were aware of such non-compliance.

C. LIMITS OF INSURANCE

Any payment made under this Equipment Breakdown Coverage will not be increased if more than one insured is shown in the Declarations or if you are comprised of more than one legal entity.

1. Equipment Breakdown Limit

The most we will pay for loss, damage or expense arising from any "one accident" is the amount shown as the Equipment Breakdown Limit in the Declarations.

2. Coverage Limits

a. The limit of your insurance under each of the coverages listed in A.2. from loss, damage or expense arising from any "one accident" is the amount indicated for that coverage in the Declarations. These limits are a part of, and not in addition to, the Equipment Breakdown Limit. If an amount of time is shown, coverage will continue for no more than that amount of time immediately following the "accident." If a coverage is shown as "Included," that coverage is provided up to the remaining amount of the Equipment Breakdown Limit. If no limit is shown in the Declarations for a coverage, or if a coverage is shown as Excluded in the Declarations, that coverage will be considered to have a limit of $0.

b. If two or more coverage limits apply to the same loss or portion of a loss, we will pay only the smallest of the applicable limits for that loss or portion of the loss. This means that if:

(1) You have a loss under one of the coverages listed in A.2.; and

(2) All or part of the loss is not covered because the applicable coverage is Excluded or has a limit that is less than the amount of your loss,

we will not pay the remaining amount of such loss under any other coverage.

EXAMPLE 1

Property Damage Limit: $7,000,000

Business Income Limit: $1,000,000

Newly Acquired Locations Limit: $500,000

There is an "accident" at a newly acquired location that results in a Property Damage loss of $200,000 and a Business Income loss of $800,000.

We will pay $500,000, because the entire loss is subject to the Newly Acquired Locations Limit of $500,000.

EXAMPLE 2

Property Damage Limit: $7,000,000

Business Income Limit: $500,000

Hazardous Substances Limit: $25,000

There is an "accident" that results in a loss of
$100,000. If no "hazardous substance" had been involved, the property damage loss would have been $10,000 and the business income loss would have been $20,000. The presence of the "hazardous substance" increased the loss by $70,000 (increasing the clean up and repair costs by $30,000 and increasing the business income loss by $40,000).

We will pay $55,000 ($10,000 property damage plus $20,000 business income plus $25,000 hazardous substances).

D. DEDUCTIBLES

1. Deductibles for Each Coverage

a. Unless the Declarations indicate that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."

b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss or damage exceeds the deductible amount indicated for that coverage in the Declarations. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit indicated in the Declarations.

c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply.

d. The following applies when a deductible is expressed as a function of the horsepower rating of a refrigerating or air conditioning system. If more than one compressor is used with a single

system, the horsepower rating of the largest motor or compressor will determine the horsepower rating of the system.

2. Direct and Indirect Coverages

a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Declarations.

b. Unless more specifically indicated in the Declarations:

(1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss, regardless of where such coverage is provided in this Equipment Breakdown Coverage; and

(2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this Equipment Breakdown Coverage.

EXAMPLE

An "accident" results in covered losses as follows:

$100,000 Total Loss (all applicable coverages)

$ 35,000 Business Income Loss (including $2,000 of business income loss payable under Data Restoration coverage)

$ 5,000 Extra Expense Loss

In this case, the Indirect coverages loss totals $40,000 before application of the Indirect Coverage Deductible. The Direct coverages loss totals the remaining $60,000 before application of the Direct Coverage Deductible.

3. Application of Deductibles

a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable deductible or deductibles shown in the Declarations. We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, subject to the applicable limits shown in the Declarations.

b. Time Deductibles

If a time deductible is shown in the Declarations, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

c. Multiple of Average Daily Value (ADV) Deductibles

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the "business income" that would have been earned during the period of interruption had no "accident" occurred, divided by the number of working days in that period. The ADV applies to the "business income" value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration."

The number indicated in the Declarations will be multiplied by the ADV as determined above. The result will be used as the applicable deductible.

EXAMPLE

Business is interrupted, partially or completely, for 10 working days. If there had been no "accident," the total "business income" at the affected location for those 10 working days would have been $5,000. The Indirect Coverages Deductible is 3 Times ADV.

$5,000 / 10 = $500 ADV

3 X $500 = $1,500 Indirect Coverages Deductible

d. Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated Minimum Deductible, the Minimum Deductible will be the applicable deductible.

E. LOSS CONDITIONS

The following conditions apply:

1. Abandonment

There can be no abandonment of any property to us.

2. Brands and Labels

a. If branded or labeled merchandise that is "covered property" is damaged by an "accident," but retains a salvage value, you may:

(1) Stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or

(2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

b. We will pay for any reduction in value of the salvage merchandise resulting from either of the two actions listed in **2.a.** above, subject to all applicable limits.

c. We will also pay the reasonable and necessary expenses you incur to perform either of the two actions described in **2.a.** above. We will pay for such expenses to the extent that they do not exceed the amount recoverable from salvage.

d. If a Brands and Labels Limit is shown on the Declarations, we will not pay more than the indicated amount for coverage under this Condition.

3. Coinsurance - Business Income Coverage

a. Unless otherwise shown in the Declarations, Business Income coverage is subject to coinsurance. This means that we will not pay the full amount of any "business income" loss if the "business income actual annual value" is greater than the "business income estimated annual value" at the affected location at the time of the "accident." Instead, we will determine the most we will pay using the following steps:

(1) Divide the "business income estimated annual value" by the "business income actual annual value" at the time of the "accident";

(2) Multiply the total amount of the covered loss of "business income" by the amount determined in paragraph (1) above;

(3) Subtract the applicable deductible from the amount determined in paragraph (2) above;

The resulting amount, or the Business Income Limit, whichever is less, is the most we will pay. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

b. Coinsurance applies separately to each insured location.

c. If you report a single "business income estimated annual value" for more than one location, without providing information on how that amount should be distributed among the locations, we will distribute the amount evenly among all applicable locations.

EXAMPLE 1 (Underinsurance)

When:

The "business income actual annual value" at the location of loss at the time of the "accident" is $200,000.

The "business income estimated annual value" shown in the Declarations for the location of loss is $100,000.

The actual loss of "business income" resulting from the "accident" is $40,000.

The Business Income limit is $100,000. The Business Income deductible is $5,000. Step 1: $100,000 / $200,000 = .5

Step 2: $40,000 x.5 = $20,000

Step 3: $20,000 - $5,000 = $15,000

The total "business income" loss recovery, after deductible, would be $15,000. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

We will also charge you an additional premium in recognition of the "business income actual annual value."

EXAMPLE 2 (Adequate insurance)

When:

The "business income actual annual value" at the location of loss at the time of the "accident" is $200,000.

The "business income estimated annual value" shown in the Declarations for the location of loss is $200,000.

The actual loss of "business income" resulting from the "accident" is $40,000.

The Business Income limit is $100,000. The Business Income deductible is $5,000. Step 1: $200,000 / $200,000 = 1

Step 2: $40,000 x 1 = $40,000

Step 3: $40,000 - $5,000 = $35,000

The total "business income" loss recovery, after deductible, would be $35,000.

4. Coinsurance – Coverages other than Business Income

Coverages other than Business Income may be subject to coinsurance if so indicated in the Declarations. If a Coinsurance percentage is shown in the Declarations, the following condition applies.

a. We will not pay the full amount of any loss if the value of the property subject to the coverage at the time of the "accident" times the Coinsurance percentage shown for it in the Declarations is greater than the applicable limit.

Instead, we will determine the most we will pay using the following steps:

(1) Multiply the value of the property subject to the coverage at the time of the "accident" by the Coinsurance percentage;

(2) Divide the applicable limit by the amount determined in step (1);

(3) Multiply the total amount of loss, before the application of any deductible, by the amount determined in step (2); and

(4) Subtract the deductible from the amount determined in step (3).

We will pay the amount determined in step (4) or the applicable limit, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

b. Coinsurance applies separately to each insured location.

EXAMPLE 1 (Underinsurance)

When:

The actual value of "perishable goods" at the location of loss at the time of the "accident" is $200,000.

The Perishable Goods limit is $100,000 @ 80% coinsurance.

The loss under Perishable Goods coverage resulting from the "accident" is $60,000.

The Perishable Goods deductible is $5,000.

Step 1: $200,000 x 80% = $160,000

Step 2: $100,000/$160,000 = .625

Step 3: $60,000 x .625 = $37,500

Step 4: $37,500 - $5,000 = $32,500

The total Perishable Goods loss recovery, after deductible, would be $32,500. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE 2 (Adequate insurance)

When:

The actual value of "perishable goods" at the location of loss at the time of the "accident" is $100,000.

The Perishable Goods limit is $100,000 @ 80% coinsurance.

The loss under Perishable Goods coverage resulting from the "accident" is $60,000.

The Perishable Goods deductible is $5,000.

Step 1: $100,000 x 80% = $80,000

Step 2: $100,000/$80,000 = 1.25

Coinsurance does not apply.

Step 3: $60,000 - $5,000 = $55,000

The total Perishable Goods loss recovery, after deductible, would be $55,000.

5. Defense

We have the right, but are not obligated, to defend you against suits arising from claims of owners of

property in your care, custody or control. When we do this, it will be at our expense.

6. Duties in the Event of Loss or Damage

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

a. Give us a prompt notice of the loss or damage, including a description of the property involved.

b. You must reduce your loss, damage or expense, if possible, by:

(1) Protecting property from further damage. We will not pay for your failure to protect property, as stated in Exclusion B.1.g.;

(2) Resuming business, partially or completely at the location of loss or at another location;

(3) Making up lost business within a reasonable amount of time. This includes working extra time or overtime at the location of loss or at another location. The reasonable amount of time does not necessarily end when the operations are resumed;

(4) Using merchandise or other property available to you;

(5) Using the property or services of others; and

(6) Salvaging the damaged property.

c. Allow us a reasonable time and opportunity to examine the property and premises before repair or replacement is undertaken or physical evidence of the "accident" is removed. But you must take whatever measures are necessary for protection from further damage.

d. Make no statement that will assume any obligation or admit any liability, for any loss, damage or expense for which we may be liable, without our consent.

e. Promptly send us any legal papers or notices received concerning the loss, damage or expense.

f. As often as may be reasonably required, permit us to inspect your property, premises 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.

g. If requested, permit us to examine you and any of your agents, employees and representatives under oath. We may examine any insured under oath while not in the presence of any other insured. Such examination:

(1) May be at any time reasonably required;

(2) May be about any matter relating to this insurance, your loss, damage or expense, or your claim, including, but not limited to, your books and records; and

(3) May be recorded by us by any methods we choose.

h. Send us a signed, sworn proof of loss containing the information we request. You must do this within 60 days after our request.

i. Cooperate with us in the investigation and settlement of the claim.

7. Errors and Omissions

a. We will pay your loss covered by this Equipment Breakdown coverage if such loss is otherwise not payable solely because of any of the following:

(1) Any error or unintentional omission in the description or location of property as insured under this policy;

(2) Any failure through error to include any premises owned or occupied by you at the inception of this policy; or

(3) Any error or unintentional omission by you that results in cancellation of any premises insured under this policy.

b. No coverage is provided as a result of any error or unintentional omission by you in the reporting of values or the coverage you requested.

c. It is a condition of this coverage that such errors or unintentional omissions shall be reported and corrected when discovered. The policy premium will be adjusted accordingly to reflect the date the premises should have been added had no error or omission occurred.

d. If an Errors and Omissions Limit is shown on the Declarations, we will not pay more than the indicated amount for coverage under this Condition.

8. Proving Your Loss

It is your responsibility, at your own expense, to provide documentation to us:

a. Demonstrating that the loss, damage or expense is the result of an "accident" covered under this

Equipment Breakdown Coverage; and

b. Calculating the dollar amount of the loss, damage and expense that you claim is covered.

Your responsibility in 8.a. above is without regard to whether or not the possible "accident" occurred at your premises or involved your equipment.

9. Salvage and Recoveries

When, in connection with any loss under this Equipment Breakdown Coverage, any salvage or recovery is received after the payment for such loss, the amount of the loss shall be refigured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the loss was originally determined. Any amounts thus found to be due either party from the other shall be paid promptly.

10. Valuation

We will determine the value of "covered property" as follows:

a. Except as specified otherwise, our payment for damaged "covered property" will be the smallest of:

(1) The cost to repair the damaged property;

(2) The cost to replace the damaged property on the same site; or

(3) The amount you actually spend that is necessary to repair or replace the damaged property.

b. The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property.

c. Except as described in d. below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

d. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced, subject to the following conditions:

(1) We will not pay more than 150% of what the cost would have been to replace with like kind and quality;

(2) We will not pay to increase the size or capacity of the equipment;

(3) This provision only applies to Property Damage coverage;

(4) This provision does not increase any of the applicable limits;

(5) This provision does not apply to any property valued on an Actual Cash Value basis; and

(6) This provision does not apply to the replacement of component parts.

e. The following property will be valued on an Actual Cash Value basis:

(1) Any property that does not currently serve a useful or necessary function for you;

(2) Any "covered property" that you do not repair or replace within 24 months after the date of the "accident"; and

(3) Any "covered property" for which Actual Cash Value coverage is specified in the Declarations.

Actual Cash Value includes deductions for depreciation.

f. If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:

(1) The property was manufactured by you;

(2) The sales price of the property is less than the replacement cost of the property; or

(3) You are unable to replace the property before its anticipated sale.

g. Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:

(1) For mass-produced and commercially available software, at the replacement cost.

(2) For all other "data" and "media," at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.

h. Air conditioning or refrigeration equipment that utilizes a refrigerant containing CFC (chlorofluorocarbon) substances will be valued at the cost to do the least expensive of the following:

(1) Repair or replace the damaged property and replace any lost CFC refrigerant;

(2) Repair the damaged property, retrofit the system to accept a non- CFC refrigerant and charge the system with a non-CFC refrigerant; or

(3) Replace the system with one using a non-CFC refrigerant.

In determining the least expensive option, we will include any associated Business Income or Extra Expense loss. If option (2) or (3) is more expensive than (1), but you wish to retrofit or replace anyway, we will consider this better for the environment and therefore eligible for valuation under paragraph d., Environmental, Safety and Efficiency Improvements. In such case, E.10.d.(1) is amended to read: "We will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality."

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Loss Conditions:

1. Additional Insured

If a person or organization is designated in this Equipment Breakdown Coverage as an additional insured, we will consider them to be an insured under this Equipment Breakdown Coverage only to the extent of their interest in the "covered property."

2. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve you or us of any obligation under this Equipment Breakdown Coverage.

3. 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.

4. Concealment, Misrepresentation or Fraud We will not pay for any loss and coverage will be void if you or any additional insured at any time:

a. Intentionally cause or allow loss, damage or expense in order to collect on insurance; or

b. Intentionally conceal or misrepresent a material fact concerning:

(1) This Equipment Breakdown Coverage;

(2) The "covered property";

(3) Your interest in the "covered property"; or

(4) A claim under this Equipment Breakdown Coverage.

5. 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.

6. Inspections and Surveys

a. We have the right to:

(1) Make inspections and surveys at any time;

(2) Give you reports on the conditions we find; and

(3) Recommend changes.

b. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions 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:

(1) Are safe or healthful; or

(2) Comply with laws, regulations, codes or standards.

c. Paragraphs a. and b. 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.

7. Jurisdictional Inspections

It is your responsibility to comply with any state or municipal boiler and pressure vessel regulations. If any "covered equipment" that is "covered property" requires inspection to comply with such regulations, at your

option we agree to perform such inspection.

8. Legal Action Against Us

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

a. There has been full compliance with all the terms of this Equipment Breakdown Coverage; and

b. The action is brought within two years after the date of the "accident" or

c. We agree in writing that you have an obligation to pay for damage to "covered property" of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this policy to bring us into an action to determine your liability.

9. Liberalization

If we adopt any standard form revision for general use that would broaden the coverage under this Equipment Breakdown Coverage without additional premium, the broadened coverage will apply to this Equipment Breakdown Coverage commencing on the date that such revision becomes effective in the jurisdiction where the "accident" occurs.

10. Loss Payable

a. We will pay you and the loss payee shown in the Declarations for loss covered by this Equipment Breakdown Coverage, as interests may appear. The insurance covers the interest of the loss payee unless the loss results from conversion, secretion or embezzlement on your part or on the part of the loss payee.

b. We may cancel the policy as allowed by the Cancellation Condition. Cancellation ends this agreement as to the loss payee's interest. If we cancel, we will mail you and the loss payee the same advance notice.

c. If we make any payment to the loss payee, we will obtain their rights against any other party.

11. Maintaining Your Property and Equipment

It is your responsibility to appropriately maintain your property and equipment. We will not pay your costs to maintain, operate, protect or enhance your property or equipment, even if such costs are to comply with our recommendations or prevent loss, damage or expense that would be covered under this policy.

12. Mortgage Holders

a. The term mortgage holder includes trustee.

b. We will pay for direct damage to "covered property" due to an "accident" to "covered equipment" to you and each mortgage holder shown in the Declarations in their order of precedence, as interests in the "covered property" may appear.

c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the "covered property."

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Equipment Breakdown Coverage, the mortgage holder will still have the right to receive loss payment, provided the mortgage holder does all of the following:

(1) Pays any premium due under this Equipment Breakdown Coverage at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so;

(3) Has notified us of any change in ownership or material change in risk known to the mortgage holder; and

(4) Has complied with all other terms and conditions of this Policy.

All of the terms of this Equipment Breakdown Coverage will then apply directly to the mortgage holder.

e. If we pay the mortgage holder for any loss and deny payment to you because of your acts or because you have failed to comply with the terms of this Equipment Breakdown Coverage:

(1) The mortgage holder's right under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgage holder at least:

(1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

h. If we suspend coverage, it will also be suspended as respects the mortgage holder.

We will give written notice of the suspension to the mortgage holder.

13. Other Insurance

If there is other insurance that applies to the same loss, damage or expense, this Equipment Breakdown Coverage shall apply only as excess insurance after all other applicable insurance has been exhausted.

14. Policy Period, Coverage Territory

Under this Equipment Breakdown Coverage:

a. The "accident" must occur during the Policy Period, but expiration of the policy does not limit our liability.

b. The "accident" must occur within the following Coverage Territory:

(1) The United States of America (including its territories and possessions);

(2) Puerto Rico; and

(3) Canada.

15. Premiums

The first Named Insured shown in the Declarations:

a. Is responsible for the payment of all premiums; and

b. Will be the payee for any return premiums we pay.

16. Privilege to Adjust with Owner

In the event of loss, damage or expense involving property of others in your care, custody or control, we have the right to settle the loss, damage or expense with respect to such property with the owner of the property. Settlement with owners of that property will satisfy any claim of yours.

17. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by delivering or mailing a written notice of suspension to:

a. Your last known address; or

b. The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment."

If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

18. 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.

19. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Equipment Breakdown Coverage 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:

a. Prior to an "accident."

b. After an "accident" only if, at time of the "accident," that party is one of the following:

(1) Someone insured by this Policy; or

(2) A business firm:

(a) Owned or controlled by you; or

(b) That owns or controls you.

G. DEFINITIONS

1. "Accident"

a. "Accident" is defined in A.1.a.

b. None of the following is an "accident," however caused and without regard to whether such condition or event is normal and expected or unusual and unexpected:

(1) Depletion, deterioration, rust, corrosion, erosion, settling or wear and tear;

(2) Any gradually developing condition;

(3) Any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind;

(4) Contamination by a "hazardous substance"; or

(5) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

2. "Boilers and Vessels" means:

a. Boilers;

b. Steam piping;

c. Piping that is part of a closed loop used to conduct heat from a boiler;

d. Condensate tanks; and

e. Unfired vessels which, during normal usage, operate under vacuum or pressure, other than the weight of contents.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

3. "Building Utilities" means "covered equipment" permanently mounted on or in a building and used to provide any of the following services within the building: heating, ventilating, air conditioning, electrical power, hot water, elevator or escalator services, natural gas service or communications. "Building utilities" does not include personal property or equipment used in manufacturing or processing.

4. "Buried Vessels or Piping" means any piping or vessel buried or encased in the earth, concrete or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair.

5. "Business Income" means the sum of:

a. The Net Income (net profit or loss before income taxes) that would have been earned or incurred; and

b. Continuing normal and necessary operating expenses incurred, including employee payroll.

6. "Business Income Actual Annual Value" means the "business income" for the current fiscal year that would have been earned had no "accident" occurred.

In calculating the "business income actual annual value," we will take into account the actual experience of your business before the "accident" and the probable experience you would have had without the "accident."

7. "Business Income Estimated Annual Value" means the anticipated "business income" reported to us and shown in the Declarations. If no value is shown in the Declarations, the "business income estimated annual value" will be the most recent report of anticipated "business income" values on file with us.

8. "Covered Equipment"

a. "Covered Equipment" is defined in A.1.b.

b. None of the following is "covered equipment":

(1) Structure, including but not limited to the structural portions of buildings and towers, and scaffolding;

(2) Foundation;

(3) Cabinet, compartment, conduit or ductwork;

(4) Insulating or refractory material;

(5) "Buried vessels or piping";

(6) Waste, drainage or sewer piping;

(7) Piping, valves or fittings forming a part of a sprinkler or fire suppression system;

(8) Water piping that is not part of a closed loop used to conduct heat or cooling from a boiler or a refrigeration or air conditioning system;

(9) "Vehicle" or any equipment mounted on a "vehicle";

(10) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;

(11) Dragline, excavation or construction equipment;

(12) Equipment manufactured by you for sale; or

(13) "Data."

9. "Covered Property"

a. "Covered Property" means property that you own or property that is in your care, custody or control and for which you are legally liable. Such property must be at a location described in the Declarations except as provided under Off Premises Property Damage coverage.

b. None of the following is "covered property":

(1) Accounts, bills, currency, deeds or other evidences of debt, money, notes or securities;

(2) Fine arts, jewelry, furs or precious stones;

(3) Precious metal, unless forming a part of "covered equipment";

(4) Animals;

(5) Contraband, or property in the course of illegal transportation or trade;

(6) Land (including land on which the property is located), water, trees, growing crops or lawns; or

(7) Shrubs or plants, unless held indoors for retail sale.

10. "Data" means information or instructions stored in digital code capable of being processed by machinery.

11. "Electrical Generating Equipment"

a. "Electrical Generating Equipment" means equipment which converts any other form of energy into electricity. This includes, but is not limited to, the following:

(1) Boilers used primarily to provide steam for one or more turbine-generator units;

(2) Turbine-generators (including steam, gas, water or wind turbines);

(3) Engine-generators;

(4) Fuel cells or other alternative electrical generating equipment;

(5) Electrical transformers, switchgear and power lines used to convey the generated electricity; and

(6) Associated equipment necessary for the operation of any of the equipment listed in (1) through (5) above.

b. "Electrical Generating Equipment" does not mean:

(1) Elevator or hoist motors that generate electricity when releasing cable; or

(2) Equipment intended to generate electricity solely on an emergency, back-up basis.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

12. "Extra Expense" means the additional cost you incur to operate your business over and above the cost that you normally would have incurred to operate your business during the same period had no "accident" occurred.

13. "Hazardous Substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

14. "Interruption of Service"

a. "Interruption of Service" means a failure or disruption of the normal supply of any of the Covered Services listed in b. below, when such failure or disruption is caused by an "accident" to "covered equipment," subject to the conditions listed in c. through f. below.

b. Covered Services are electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks and data transmission.

c. The "covered equipment" must either be:

(1) Owned by a company with whom you have a contract to supply you with one of the Covered Services; or

(2) Used to supply you with one of the Covered Services and located within one mile of a location described in the Declarations.

d. If a Service Interruption Distance Limitation is indicated in the Declarations, the "covered equipment" suffering the "accident" must be located within the indicated distance of any location described in the Declarations.

e. Unless otherwise shown in the Declarations, no failure or disruption of service will be considered to qualify as an "interruption of service" until the failure or disruption exceeds 24 hours immediately following the "accident."

f. "Interruption of service" does not include any failure or disruption, whether or not arising from or involving an "accident," in which a supplier could have continued to provide service to the location but chose for any reason to reduce or discontinue service.

15. "Interruption of Supply"

a. "Interruption of Supply" means a failure or disruption of the normal supply of any of the Covered Contingencies listed below, when such failure or disruption is caused by an "accident" to "covered equipment" that is located at a Contingent Business Income supplier or receiver location indicated in the Declarations. If no Contingent Business Income supplier or receiver location is indicated in the Declarations, the "covered equipment" must be owned by a supplier from whom you have received the Covered Contingency for at least six months prior to the "accident" or a receiver to whom you have supplied the Covered Contingency for at least six months prior to the "accident."

b. Covered Contingencies are raw materials, intermediate products, finished products, packaging materials and product processing services.

16. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

17. "One Accident" means all "accidents" occurring at the same time from the same event. If an "accident" causes other "accidents," all will be considered "one accident."

18. "Ordinary Payroll" means the Payroll Expenses associated with all employees other than executives, department managers and employees under contract.

As used above, Payroll Expenses means all payroll, employee benefits directly related to payroll, FICA payments you pay, union dues you pay and workers compensation premiums.

"Ordinary payroll" does not include pensions or directors fees.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

19. "Period of Restoration" means the period of time that begins at the time of the "accident" and continues until the earlier of:

a. The date the physical damage to "covered equipment" is repaired or replaced; or

b. The date on which such damage could have been repaired or replaced with the exercise of due diligence and dispatch,

plus the number of days, if any, shown in the Declarations for Extended Period of Restoration.

With respect to Civil Authority coverage only, "period of restoration" means the period of time that begins as of the time access is prohibited by action of the civil authority and continues until the earlier of:

a. 21 days thereafter; or

b. The date access is restored.

20. "Perishable Goods" means any "covered property" subject to deterioration or impairment as a result of a change of conditions, including but not limited to temperature, humidity or pressure.

21. "Production Machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus.

However, “production machinery” does not mean any boiler, or fired or unfired pressure vessel.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

22. **“Spoilage”** means any detrimental change in state. This includes but is not limited to thawing of frozen goods, warming of refrigerated goods, freezing of fresh goods, solidification of liquid or molten material and chemical reactions to material in process.

23. **“Vehicle”** means any machine or apparatus that is used for transportation or moves under its own power. “Vehicle” includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

    However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a “vehicle.”

NEW JERSEY SCHOOLS INSURANCE GROUP
Article 3
Equipment Breakdown Loss Adjustment Agreement

A. If there is loss or damage insured under this policy and also under a Commercial Property policy and there is disagreement between the insurers with respect to:

   1. Whether such damage or destruction was caused by an "accident" insured against by this policy or Cause of Loss insured against by such Commercial Property policy; or

   2. The extent of participation of this policy and of such Commercial Property policy in a loss which is insured against, partially or wholly, by any or all of said policies.

   We shall, upon written request from you, pay to you one-half of the amount of the loss which is in disagreement, in no event more than we would have paid if there had been no Commercial Property policy in effect.

B. This agreement is subject to the following conditions:

   1. The amount of the loss which is in disagreement, after making provisions for any undisputed claims payable under the policies and after the amount of the loss is agreed upon by you, us and the provider of the Commercial Property insurance, is limited to the minimum amount remaining payable under either this policy or the Commercial Property policy.

   2. The Commercial Property insurer shall simultaneously pay to you one-half of the amount which is in disagreement.

   3. The payments by us and the Commercial Property insurer and acceptance of those sums by you signify the agreement to us and the Commercial Property insurer to submit to and proceed with arbitration within 90 days of such payment.

      There shall be three arbitrators one of whom shall be appointed by us, one of whom shall be appointed by the Commercial Property insurer and the third appointed by consent of the other two. The decision by the arbitrators shall be binding on us and the Commercial Property insurer and the judgment upon such award may be entered in any court of competent jurisdiction.

   4. You agree to cooperate in connection with but not to intervene in such arbitration.

   5. The provisions of this agreement shall not apply unless such Commercial Property policy has materially the same agreement in force at the time of the loss.

   6. Acceptance by you of any payment under this agreement shall not alter, waive, surrender or in any way affect the rights you have against us or the Commercial Property insurer.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 5 – COMMERCIAL GENERAL LIABILITY COVERAGE GENERAL PROVISIONS

A. GENERAL INSURING AGREEMENT

In consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all the terms of this policy, the Group agrees with the Named Insured as follows:

1. This policy is composed of Form NJSIG-G0, -G1, and -G2; the declarations page with the applicable Coverage Parts; and any supplementary declarations or schedule pages and endorsements made a part thereof.

2. The provisions of one Coverage Part do not apply to the insurance afforded under any other Coverage Part.

B. SUPPLEMENTARY PAYMENTS

The Group will pay, with respect to any claim we investigate or settle, or any suit against an insured we defend:

1. all expenses incurred by the Group, however, the Group's right and duty to defend end when the Group has used up the applicable limit of insurance in the payment of judgments or settlements;

2. all costs taxed against the Insured except attorney fees in any suit defended by the Group and all interest on the entire amount of any judgment therein which accrues after entry of judgment and before the Group has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Group's liability thereon;

3. premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the Insured because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed $2,500 per bail bond, but the Group shall have no obligation to apply for or furnish such bonds;

4. reasonable expenses incurred by the Insured at the Group's request in assisting the Group in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed $500 per day.

These payments will not reduce the limit of liability.

C. DEFINITIONS

As used in this policy:

"Aircraft" means any machine or device, including an airplane, helicopter, glider, dirigible, model airplane, or drone, capable of atmospheric flight.

"Automobile" means a land motor vehicle, trailer, or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto) but does not include mobile equipment.

"Bodily Injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom. This includes mental anguish, mental injury, shock, fright or death resulting from bodily injury, sickness or disease.

"Communicable Disease" means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and,

3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

"Communicable Disease Outbreak" means a communicable disease that is declared, or determined to be, a public health emergency, pandemic, outbreak, epidemic, disaster, or public emergency by the World Health Organization, or any agency or authority tasked with overseeing international or global public health, or by the United States government, including any federal, state or local agency.

"Completed Operations Hazard" includes bodily injury and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from the premises owned by or rented to the Named Insured. "Operations" include materials, parts, or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

1. when all the operations to be performed, by or on behalf of the Named Insured at the site of the operations, have been completed;

2. when all operations to be performed by or on behalf of the Named Insured under the contract have been completed;

3. when the portion of the work out of which the injury or damage arises has been put to its intended use by any persons or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work or correction, repair, or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The completed operation hazard does not include bodily injury or property damage arising out of:

1. operations in connection with the transportation of property unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof;

2. the existence of tools, uninstalled equipment or abandoned or unused materials, or

3. operations for which the classification stated in the policy or in the Group's manual specifies "including completed operations."

"Elevator" means any hoisting or lower device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoist way, stairway, runway, power equipment and machinery; but does not include an automobile serving hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hood or material hoist used in alteration, construction or demolition operations or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet.

"Employee" includes a "leased worker." "Employee" does not include a "temporary worker" or "volunteer worker."

"Incidental Contract" means any written

1. lease of premises;

2. easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad;

3. undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality;

4. side track agreement; or

5. elevator maintenance agreement.

"Insured" means any person or organization qualifying as an Insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each Insured against whom claim is made or suit is brought, except with respect to the limits of the Group's liability.

"Leased Worker" means a person leased to you by a labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker" or a "volunteer worker."

"Loading or Unloading" means the handling of property:

1. after it is moved from the place where it is accepted for movement onto an aircraft, watercraft or "auto";

2. while it is in or on an aircraft, watercraft or "auto"; or

3. while it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered.

"Member," also known as the Named Insured, means the organization named in Item 1 of the declarations of this policy that has elected to participate in the fund to which this policy applies pursuant to N.J.S.A. 18A:18B-1, et seq.

"Mobile Equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

2. vehicles maintained for use solely on or next to premises you own or rent;

3. vehicles that travel on crawler treads;

4. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

   a. power cranes, shovels, loaders, differs or drills; or

   b. road construction or resurfacing equipment such as graders, scrapers or rollers;

5. vehicles not described in Paragraph 1., 2., 3., or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

   a. air compressors, umps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment; or

b. cherry pickers and similar devices used to raise or lower workers;

6. Vehicles not described in Paragraph 1., 2., 3., or 4. above, maintained primarily for purposes other than transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

1. equipment designed primarily for:

   a. snow removal;

   b. road maintenance, but not construction or resurfacing; or

   c. street cleaning;

2. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

3. air compressors, pumps, generators, including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment;

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos."

"Named Insured" means the person or organization named in Item 1 of the declarations of this policy;

"Named Insured's Products" means goods or products manufactured, sold, handled or distributed by the Named Insured or by others trading under his name, including any container thereof (other thereof (other than vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold.

"Named Insured's Work" means work or operations performed by the Named Insured or on the Named Insured's behalf, and materials, parts, or equipment furnished in connection with such work or operations. "Named Insured's Work" includes:

1. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of the Named Insured's Work; and

2. the providing of or failure to provide warnings or instructions.

"Occurrence" means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the Insured.

As related to any claim for sexual abuse, all acts of sexual abuse, whether a single act, or multiple, continuous, sporadic, or related acts, committed by the same perpetrator, or two or more perpetrators acting in concert, will be deemed a single occurrence for the purposes hereof, regardless of the number of acts of abuse committed, the number of victims of the abuse, the number of locations where the abuse took place, the number of policy periods over which the acts of sexual abuse took place, or the number of breaches of any legal obligation or duty to oversee the perpetrator, or perpetrators acting in concert, who committed the abuse.

"Products Hazard" includes bodily injury and property damage arising out of the Named Insured's product or reliance upon a representation of warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the Named Insured and after physical possession of such products has been relinquished to others.

"Property Damage" means physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period.

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.

"Sexual Abuse" means any actual, attempted, or alleged sexual conduct by a person or by persons acting in concert, which causes bodily injury. "Sexual abuse" includes sexual molestation, sexual assault, sexual exploitation or sexual injury, but does not include "sexual harassment."

"Sexual Harassment" means any actual, attempted or alleged unwelcome sexual advances, request for sexual favors or other conduct of a sexual nature by a person, or by persons acting in concert, which causes injury. "Sexual harassment" includes this conduct only:

1. when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or

2. when such conduct has the purpose or effect of unreasonably interfering with a person's work

performance or creating an intimidating, hostile or offensive work environment.

"Sexual Harassment" does not include "Sexual Abuse" as defined above.

"Suit" means a civil proceeding in which damages because of "bodily injury" or "property damage" to which this insurance applies are alleged. "Suit" includes:

1. an arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; and

2. any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

"Temporary worker" means a person who is furnished to the Named Insured to substitute for a permanent "employee on leave or to meet seasonal or short-term workload conditions.

"Trampoline" means any device of canvas or similar material stretched on a frame used in gymnastics or as a springboard whose surface area is more than thirteen square feet and whose surface is more than two feet above floor level.

D. CONDITIONS

1. Premium. All premiums for this policy shall be computed in accordance with the Group's rules, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

Premium designated in this policy as "advance premium" is a deposit premium only, which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period, the earned premium shall be computed for such period and, upon notice thereof to the Named Insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the Group shall return to the Named Insured the unearned portion paid by the Named Insured.

The Named Insured shall maintain records of such information as is necessary for premium computation and shall send copies of such records to the Group at the end of the policy period and at such times during the policy period as the Group may direct.

2. Inspection and Audit. The Group shall be permitted but not obligated to inspect the Named Insured's Property and operations at any time. Neither the Group's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Named Insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

The Group may examine and audit the Named Insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. Insured's Duties in the Event of Occurrence, Claim or Suit.

i. In the event of an occurrence, written notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the name and addresses of the injured and of available witnesses, shall be given by or for the Insured to the Group or any of its authorized agents as soon as practicable.

ii. If a claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Group every demand, notice, summons of other processes received by him or his representative.

iii. The Insured shall cooperate with the Group and, upon the Group's request, assist in making settlements, in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage with respect to which insurance is afforded under this policy; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

4. Action Against Group. No action shall lie against the Group unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Group.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy but only to the extent of the insurance afforded by this policy and within the applicable limit of insurance. No person or organization shall have any right under this policy to join the Group as a party to

any action against the Insured to determine the Insured's liability, nor shall the Group be impleaded by the Insured or his legal representative. Bankruptcy or insolvency of the Insured's estate shall not relieve the Group of any of its obligations hereunder.

5. Other Insurance. If other valid and collectible insurance is available to the insured for a loss we cover under this policy, our obligations are limited as follows:

i. **Primary Insurance.** This insurance is primary except when Paragraph ii. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then we will share with all that other insurance by the method described in Paragraph iii. below.

ii. **Excess Insurance.**

1. This insurance is excess over:

a. any of the other insurance, whether primary, excess, contingent or on any other basis:

i. that is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for your work;

ii. that is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

iii. that is insurance purchased by you to cover your liability as a tenant for property damage to premises rented to you or temporarily occupied by you with permission of the owner; or

iv. if the loss arises out of the maintenance or use of aircraft, autos or watercraft to the extent not subject to Exclusions 2. and 19. within Article 5, Paragraph B ("Exclusions") of Form NJSIG-G1 (7/25) ("Bodily Injury and Property Damage Liability Coverage Form").

b. any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by the attachment of an endorsement.

2. When this insurance is excess, we will have no duty under Coverages A and B to defend the insured against any suit if any other insurer has a duty to defend the insured against that suit. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

3. When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

a. the total amount that all such other insurance would pay for the loss in the absence of this insurance; and

b. the total of all deductible and self-insured amounts under all that other insurance.

4. We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

iii. **Method of Sharing.**

1. If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

2. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

6. Transfer of Rights of Recovery Against Others to Us. If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them.

7. Changes. Notice to any agent or knowledge possessed by any agent or other person shall not effect a waiver or a change in any part of this policy or stop the Group from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by a duly authorized officer or representative of the Group.

8. **Assignment.** Assignment of interest under this policy shall not bind the Group until its consent is endorsed hereon. If, however, the Named Insured shall die, such insurance as is afforded by this policy shall apply:

   i. to the Named Insured's legal representative, as the Named Insured, but only while acting within the scope of his duties as such.

   ii. with respect to the property of the Named Insured, to the person having proper temporary custody thereof, as Insured, but only until the appointment and qualification of the legal representative of the Group.

9. **Declarations.** By acceptance of this policy, the Named Insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations, and that this policy embodies all agreements existing between himself and the Group or any of its agents relating to this insurance.

10. **Policy Territory.** Anywhere in the world provided that the original suit for damages covered hereunder is brought within the United States of America, its territories, possessions, Puerto Rico or Canada.

E. KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM, SUIT, BODILY INJURY, OR PROPERTY DAMAGE

1. With respect to any obligation under this policy for which knowledge of an "occurrence," offense, claim, "suit," "bodily injury" and/or "property damage" is relevant, such knowledge by an "employee" or other agent of the insured does not constitute such knowledge unless and until such time as the Business Official, Board Secretary, Superintendent, or Chief School Administrator obtains such knowledge or receives notice from the "employee," other agent or third-party source; provided that the Named Insured has in place a policy by which knowledge of an "occurrence," offense, claim, "suit," "bodily injury," and/or "property damage" is to be reported to the Business Official, Board Secretary, Superintendent or Chief School Administrator.

F. UNINTENTIONAL ERRORS OR OMISSIONS

1. Failure of the Insured to disclose all hazards existing as of the inception date of the policy shall not prejudice the Insured with respect to the coverage afforded by this policy, provided such failure or any omissions are not intentional.

G. NOTICE OF OCCURRENCE TO WORKERS' COMPENSATION CARRIER

1. If the Named Insured reports an "occurrence" to its workers' compensation carrier which later develops into a commercial general liability claim, the failure to provide notice of the "occurrence" shall not be deemed a breach of the Condition of the policy entitled, "Insured's Duties in the Event of Occurrence, Claim or Suit." However, once you know or should know that the "occurrence" is or may develop into a commercial general liability claim, the Named Insured must see to it that we are notified as soon as practicable and meet all the obligations of the Condition of the policy entitled, "Insured's Duties in the Event of Occurrence, Claim or Suit."

H. LIMITS OF LIABILITY

1. **Sexual Abuse Limits:**

   The sexual abuse limit stated in the declarations is the most the Group will pay for damages because of sexual abuse for each occurrence. Notwithstanding anything to the contrary in this policy, for the purpose of the sexual abuse limits, all acts of sexual abuse, whether a single act, or multiple, continuous, sporadic, or related acts, committed by the same perpetrator, or two or more perpetrators acting in concert, will be deemed a single occurrence for the purposes hereof, regardless of the number of acts of abuse committed, the number of victims of the abuse, the number of locations where the abuse took place, the number of policy periods over which the acts of sexual abuse took place, or the number of breaches of any legal obligation or duty to oversee the perpetrator, or perpetrators acting in concert, who committed the abuse. Further, all injuries resulting from the occurrence will be deemed to have occurred at the time when the first act of sexual abuse was committed by the same perpetrator, or two or more perpetrators acting in concert, for which the named insured is actually or allegedly legally responsible.

   The sexual abuse named insured limit stated in the declarations is the most the Group will pay for damages in a single policy period because of sexual abuse for the named insured.

   The sexual abuse aggregate limit stated in the declarations is the most the Group will pay for damages in a single policy period because of sexual abuse regardless of the number of members in the fund. Any payments by the Group from the sexual abuse aggregate limits reduces any remaining aggregate limits available to all members.

2. **Communicable Disease Outbreak Limits:**

   The communicable disease outbreak limit stated in the declarations is the most the Group will pay for damages because of communicable disease outbreak for each occurrence. Notwithstanding anything to the contrary in this policy, for the purpose of the communicable disease outbreak limits only, all damages because of communicable disease outbreak

which are traceable to a single source will be deemed to be a single occurrence for the purposes hereof, regardless of the number of claimants, or the number of breaches of any legal obligation or duty.

The communicable disease outbreak aggregate limit stated in the declarations is the most the Group will pay for damages in a single policy period because of communicable disease outbreak regardless of the number of members in the fund. Any payments by the Group from the communicable disease outbreak aggregate limits reduces any remaining aggregate limits available to all members.

These limits apply to any loss, damage, liability, claim, of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a communicable disease outbreak or the fear or threat (whether actual or perceived) of a communicable disease outbreak; all regardless of any other cause or event contributing concurrently or in any other sequence thereto. These limits further apply to any cost or expense to clean-up, detoxify, remove, monitor or test for a communicable disease outbreak or communicable disease associated with a communicable disease outbreak.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 5 – COMMERCIAL GENERAL LIABILITY COVERAGE
BODILY INJURY AND PROPERTY DAMAGE LIABILITY COVERAGE FORM

A. COVERAGE A (BODILY INJURY LIABILITY) & COVERAGE B (PROPERTY DAMAGE LIABILITY)

The Group will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages because of A. bodily injury or B. property damage to which this insurance applies, caused by an occurrence, and the Group shall have the right and duty to defend any suit against the Insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and the settlement of any claim or suit as it deems expedient, but the Group shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Group's liability has been exhausted by payment of judgments or settlements.

B. EXCLUSIONS

This insurance does not apply:

1. to liability assumed by the Insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the Named Insured's products or a warranty that work performed by or on behalf of the Named Insured will be done in a workmanlike manner.

2. to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:

i. any automobile or aircraft owned, operated by, or rented or loaned to any Insured; or

ii. any other automobile or aircraft operated by any person in the course of his employment by any Insured, but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the Named Insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any Insured;

However, this exclusion shall not apply to an Unmanned Aircraft System owned or operated by the insured in compliance with current FAA regulations and a total weight less than ten pounds;

3. to bodily injury or property damage arising out of:

i. the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity; or

ii. the operation or use of any snowmobile or trailer designed for use therewith;

4. to bodily injury or property damage arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any Insured;

5. to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing;

6. to any obligation for which the Insured or any carrier as his insurer may be held liable under any workers compensation, unemployment compensation or disability benefits law, or under any similar law;

7. to bodily injury to any employee of the Insured arising out of and in the course of his employment by the Insured or to any obligation of the Insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the Insured under an incidental contract;

8. to property damage to property owned by the Insured;

9. to property damage to premises alienated by the Named Insured arising out of such premises or any part thereof;

10. to any bodily injury or property damage arising out of or resulting from the use of or existence of trampolines;

11. to all liability, including all loss, cost or expense, directly or indirectly arising out of, resulting as a consequence of, or relating to Asbestos or Silica;

12. to loss of use of tangible property which has not been physically injured or destroyed resulting from:

i. a delay in or lack of performance by or on behalf of the Named Insured of any contract or agreement; or

ii. the failure of the Named Insured's products or work performed by or on behalf of the Named Insured to meet the level of performance, quality, fitness or durability warranted or represented by the Named Insured; but this exclusion does not

apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the Named Insured's products or work performed by or on behalf of the Named Insured after such products or work have been put to use by any person or organization other than an Insured;

13. to property damage to the Named Insured's products arising out of such products or any part of such products;

14. to property damage to work performed by or on behalf of the Named Insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;

15. to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the Named Insured's products or work completed by or for the Named Insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

16. under the following coverages:

i. under any Liability Coverage, to bodily injury or property damage:

1. with respect to which an insured under the policy is also an Insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; or

2. resulting from the hazardous properties of nuclear material and with respect to which:

a. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

b. the Insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, with any person or organization;

ii. under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization;

iii. under any Liability Coverage, to bodily injury or property damage resulting from the hazardous properties of nuclear material if:

1. the nuclear material is at any nuclear facility owned by, or operated by or on behalf of, an Insured;

2. the nuclear material has been discharged or dispersed therefrom;

3. the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an Insured; or

4. the bodily injury or property damage arises out of the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possession or Canada, this paragraph 4 applies only to property damage to such nuclear facility and any property thereat.

As used in this exclusion 16:

"Hazardous Properties" includes radioactive, toxic or explosive properties;

"Nuclear Material" means source material, special nuclear material or byproduct material;

"Source Material," "special nuclear material," and **"byproduct material"** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent Fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"Waste" means any waste material:

1. containing byproduct material; and

2. resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph 1. through 4. thereof;

"Nuclear Facility" means:

1. any nuclear reactor;

2. any equipment or device designed or used for:

a. separating the isotopes or uranium or plutonium;

b. processing or utilizing spent fuel; or

c. handling, processing or packaging waste;

3. any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or devices is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; and

4. any structure basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear Reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property Damage" includes all forms of radioactive contamination of property.

17. to any loss, cost or expense arising out of any governmental direction or request that the Named Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

As used in this exclusion 17:

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, perfluoroalkyl and polyfluoroalkyl substances (PFAS) and waste.

"Waste" means materials to be recycled, reconditioned or reclaimed.

18. to bodily injury or property damage arising out of the actual, alleged, or threatened discharge, dispersal, release, or escape of pollutants:

i. at or from premises owned, rented or occupied by the Named Insured;

ii. at or from any site or location used by or for the Named Insured or others for the handling, storage, disposal, processing or treatment of waste;

iii. which are at any time transported, handled, stored, treated, disposed of or processed as waste by or for the Named Insured or any person or organization for whom the Named Insured may be legally responsible; or

iv. at or from any site or location on which the Named Insured or any contractors or subcontractors working directly or indirectly on behalf of the Named Insured are performing operations:

1. if the pollutants are brought on or to the site or location in connection with such operations; or

2. if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize the pollutants.

This exclusion shall not apply to unintended discharge, dispersal, release or escape resulting from a hostile fire. As used in this exclusion, a "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

19. to bodily injury or property damage arising out of the ownership or operation of owned and powered watercraft in excess of 50 feet in length;

20. to damages arising from "sexual abuse" by any person committed after first discovery by any of your officials, trustees, directors, or officers of "sexual abuse" by such person. However, discovery does not include discovery by an official, trustee, director, or officer who committed such "sexual abuse."

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

22. except as provided for in Article 5, Paragraph I ("Limited Coverage for 'Fungal Pathogens'") of Form NJSIG-G2 (7/25) ("Additional Liability Coverage Form"), to damages directly or indirectly arising out of, resulting from or in any manner related to "Fungal Pathogens" whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

As used in this exclusion 22:

"Fungal Pathogens" means any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to, mold, mildew, mycotoxins, spores or any biogenic aerosols.

This exclusion does not apply to any "Fungal Pathogens" or bacteria that are, are on, or are contained in, an edible good or edible product intended for human or animal consumption.

23. to any liability, loss, damage or expense directly or indirectly arising out of, caused by, or resulting from any "act of terrorism", as defined in paragraphs (1) and (2) below. This exclusion applies regardless of any other cause or event contributing to such liability, loss, damage, or expense in any way or at any time, or whether such liability, loss, damage, or expense is accidental or intentional.

    For purposes of this exclusion, an "act of terrorism" means:

    (1) Any activity, including the threat of an activity or any preparation for an activity, that (a) causes either (i) damage to property, or (ii) injury to persons; and (b) appears to be intended to: (i) intimidate or coerce a civilian population, or (ii) disrupt any segment of an economy, or (iii) influence the policy of a government by intimidation or coercion, or (iv) affect the conduct of a government by destruction, assassination, kidnapping or hostage-taking, or (v) advance a political, religious or ideological cause.

    (2) Any act authorized by a governmental authority for the purpose of preventing, terminating, countering or responding to any act or threat of terrorism or for the purpose of preventing or minimizing the consequences of any act or threat of terrorism.

    However, this exclusion shall apply only after the Group has expended $1,000,000 per occurrence from all lines of coverage, in the payment of claims. In no event will the Groups liability for payment(s) of claims exceed $1,000,000 per occurrence and in the aggregate annually from all lines of coverage.

    The Terrorism aggregate limit stated in the declarations is the most the Group will pay for damages in a single policy period because of an "act of terrorism" regardless of the number of members in the fund. Any payments by the Group from the Terrorism aggregate limit reduces any remaining aggregate limits available to all members.

24. to bodily injury or property damage for which any insured may be held liable by reason of:

i. causing or contributing to the intoxication of any person;

ii. the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

iii. any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

    This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving, or furnishing alcoholic beverages.

25. to any loss, cost or expense arising out of, resulting from, caused by or contributed by:

i. the toxic or pathological properties of lead, lead compounds or lead contained in any materials;

ii. the abatement, mitigation, removal, or disposal of lead, lead compounds or lead contained in any materials;

iii. any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with i. or ii. above; or

iv. any obligation to share damages with or repay someone else that must pay damages in connection with i., ii. or iii. above.

26. to property damage to that particular part of real property on which the Named Insured or any contractors working directly or indirectly on the Name Insured's behalf are performing operations, if the property damage arises out of those operations;

27. to property damage to that particular part of any property that must be restored, repaired, or replaced because the Named Insured's Work was incorrectly performed on it. However, this exclusion does not apply to property damage included in the completed operations hazard or the products hazard;

28. to bodily injury arising out of personal injury or advertising injury;

29. to damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data. However, this exclusion does not apply to liability for damages because of bodily injury.

    As used in this exclusion 29:

    "Electronic Data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing, devices or any other media which are used with electronically controlled equipment;

30. to bodily injury or property damage arising directly or indirectly out of any action or omission that violates or is alleged to violate;

i. the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

ii. the CAN-SPAM Act of 2003, including any amendment of or addition to such law;

iii. the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FATA); or

iv. any Federal, state, or local statute, ordinance or regulation other than the (TCPA), CAN-SPAM Act of 2003 FCRA and their amendments and additions that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of material or information;

31. to liability, including all loss, cost or expense, directly or indirectly arising out of, resulting as a consequence of, or related to PFAS, including but not limited to:

i. any actual, alleged, or threatened:

1. ingestion, inhalation, absorption, existence or presence of, contact with, or exposure to PFAS;

2. manufacture, production, marketing, application, distribution, storage, sale, use, handling, installation, repair, removal, encapsulation, abatement, or safeguarding, warning of, or failure to warn of PFAS or any material or substance containing PFAS; or

3. discharge, dispersal, release, leakage, escape or presence of PFAS,

regardless of any other cause or event contributing concurrently or in any sequence to the aforementioned;

ii. Any testing for, monitoring, investigating, cleaning up, removing, studying, containing, treating, abating, encapsulating, controlling, detoxifying, neutralizing, assessing or taking any other action with regard to PFAS; or

iii. Any request, demand, order, statutory or regulatory requirement, direction or determination that any insured or others test for, monitor, investigate, clean up, remove, study, contain, treat, abate, encapsulate, control, detoxify, neutralize, assess or take any other actions regarding PFAS.

As used in this exclusion 31:

"PFAS" (or perfluoroalkyl and polyfluoroalkyl substances) means:

1. Any chemical or substance that contains a minimum of one methyl or methylene group on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:

a. Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomeres, salts, derivatives, precursor chemicals, degradation byproducts;

b. Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, perfluorooctane sulfonic acid (PFOS) and its salts, or perfluorohexane sulfonate acid (PFHxS);

c. Perfluoropolyethers;

d. Fluorotelomer-based substances; or

e. Side-chain fluorinated polymers; and

2. Any "PFAS" replacement chemical, compound or product, including but not limited to GenX, Perfluorobutane sulfonic acid, ADONA or F53B.

32. to any liability, injury, damage, loss, cost or expense caused by, resulting from, arising out of, or related to, all whether directly or indirectly, any actual, alleged, or attempted:

Access to or disclosure of any person's health or "biometric information";

a. Loss of "biometric information";

b. Failure to maintain any privacy policy in compliance with any law, act or regulation which addresses "biometric information";

c. Violation of any privacy or security regulation with respect to access, disclosure, handling or storage of "biometric information";

d. Unauthorized access to or unauthorized use of any information system containing "biometric information";

e. Actual or alleged violation of a "biometric information" privacy law that governs or relates to the collection, storage, disclosure, retention, destruction, protection, use, sale, lease or trade of "biometric information" whether local, state or federal law, statute, ordinance, regulation or governmental rule, including any common law legal theory. "Biometric information" privacy laws include, but are not limited to, the Illinois Biometric Information Privacy Act (BIPA), including any amendment of or addition to such law and the California Consumer Privacy Act (CCPA), including any amendment of or addition to such law, and

any similar law of a jurisdiction other than the United States of America (including its territories and possessions) or Puerto Rico.

f. Any sale, use, trade, rental, loan or lease of "biometric information" by any person or organization to any person or organization;

g. Any other liability alleged in any claim, suit or proceeding that also alleges any of the above, notwithstanding any insured's fault or intent and regardless of whether the claim, investigation, demand, "suit", proceeding or allegation against any insured alleges negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by any insured;

The term "biometric information" means information, regardless of how it is captured, converted, stored or shared, about a person's physical, biological or behavioral characteristics that can be used to identify such person and includes, but is not limited to, a person's retina or iris scan, fingerprint, voiceprint, scan of hand or face or other body geometry, DNA, vein pattern, keystroke pattern or rhythm, gait pattern or rhythm, or sleep, health or exercise data that contain identifying information.

C. PERSONS INSURED

Each of the following is an Insured under this insurance to the extent as set forth below:

1. the Named Insured Board of Education and affiliated entities;

2. past, present, and future members of the Board of Education, and any Executive Official or Director while acting within the scope of their duties as such;

3. with respect to the operation, for the purpose of locomotion upon a public highway, or "mobile equipment," registered under any motor vehicle registration law:

i. any employee of the Named Insured while operating any such equipment in the course of his employment; and

ii. any other person while operating with the permission of the Named Insured any such equipment registered in the name of the Named Insured, and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization; provided that no person or organization shall be an Insured under this paragraph 3 with respect to:

1. bodily injury to any fellow employee or such person injured in the course of his employment; or

2. property damage to property owned by, rented to, in charge of, or occupied by the Named Insured or the employer of any person described in subparagraph ii.

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in this policy as a Named Insured.

D. LIMITS OF LIABILITY

Regardless of the number of (1) Insureds under this policy; (2) persons or organizations who sustain bodily injury or property damage; (3) claims made or suits brought on account of bodily injury or property damage; or (4) "mobile equipment" to which this policy applies, the Group's liability is limited as follows:

1. Bodily Injury Liability and Property Damage Liability:

i. The limit of liability stated in the declarations as applicable to "each occurrence" is the total limit of the Group's liability for all damages because of bodily injury or property damage as a result of any one occurrence.

ii. The Products–Completed Operations Aggregate Limit is the most the Group will pay for damages because of bodily injury and property damage included in the products hazard and the completed operations hazard.

iii. For purposes of determining the limit of the Group's liability, all bodily injury and property damage arising out of the continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

2. The limits of liability apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limits of liability.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 5 – COMMERCIAL GENERAL LIABILITY COVERAGE
ADDITIONAL LIABILITY COVERAGE FORM

A. CONTRACTUAL LIABILITY COVERAGE

1. The definition of incidental contract is extended to include any oral or written contract or agreement relating to the conduct of the "Named Insured" business.

2. The insurance afforded with respect to liability assumed under an incidental contract is subject to the following additional exclusions:

i. to bodily injury or property damage for which the Insured has assumed liability under an incidental contract, if such injury or damage occurred prior to the execution of the incidental contract;

ii. if the Insured is an architect, engineer or surveyor, to bodily injury or property damage arising out of the rendering or the failure to render professional services by such Insured, including

1. the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs, or specifications; and

2. supervisory, inspection, or engineering services;

iii. if the indemnitee of the Insured is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of:

1. the preparation or approval of or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

2. the giving of or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give is the primary cause of the bodily injury or property damage;

iv. to any obligation for which the Insured may be held liable in an action on a contract by a third party beneficiary for bodily injury or property damage arising out of a project by a public authority; but this exclusion does not apply in an action by the public authority or any other person or organization engaged in the project; and

v. to bodily injury or property damage arising out of construction or demolition operations, within 50 feet of any railroad property, and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; but this exclusion does not apply to sidetrack agreements.

3. The following exclusions applicable to Coverage A (Bodily Injury) and Coverage B (Property Damage) do not apply to this Contractual Liability Coverage: (2), (3), and (4).

4. The following additional condition applies:

i. **Arbitration:** The Group shall be entitled to exercise all the Insured's rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

B. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

1. The Group will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages because of personal injury or advertising injury to which this insurance applies, sustained by any person or organization and arising out of the conduct of the Named Insured's business, within the policy territory, and the Group shall have the right and duty to defend any suit against the Insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Group shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Group's liability has been exhausted by payment of judgments or settlements.

2. Exclusions. This insurance does not apply:

i. to personal injury or advertising injury arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the Insured;

ii. to personal injury or advertising injury arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the Named Insured was made prior to the effective date of this insurance;

iii. to personal injury or advertising injury arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or

services, or in violation of an individual's right of privacy, made by or at the direction of the Insured with knowledge of the falsity thereof;

iv. to personal injury or advertising injury arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in the declarations of the policy as a Named Insured;

v. to personal injury or advertising injury arising out of a "Wrongful Employment Practice";

vi. to advertising injury arising out of:

1. failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract;

2. infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised; or

3. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;

vii. with respect to advertising injury:

1. to any Insured in the business of advertising, broadcasting, publishing or telecasting; or

2. to any injury arising out of any act committed by the Insured with actual malice;

viii. With respect to Law Enforcement operations, to personal injury arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the Insured;

ix. "Personal injury" or "advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the Insured would have in the absence of the contract or agreement;

x. "Personal injury" or "advertising injury" arising out of the wrong description of the price of goods, products or services;

xi. "Personal injury" or "advertising injury" arising out of the unauthorized use of another's name or product in your e- mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers;

xii. "Personal injury" or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of "pollutants" at any time;

xiii. Any loss, cost or expense arising out of any:

1. request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any respond to, or access the effects of, "pollutants"; or

2. claim or suit by or on behalf of a government 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";

xiv. "Personal injury" or "advertising injury" caused, arising directly or indirectly, out of:

1. war, including undeclared or civil war;

2. 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

3. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these;

xv. "Personal injury" or "advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

1. the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

2. the CAN-SPAM Act of 2003, including any amendment of or addition to such law;

3. the Fair Credit Reporting Act (FRCA) and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FATA); or

4. any federal, state, or local statute, ordinance or regulation other than the TCPA, CAN-SPAM Act of 2003 or FRCA and their amendments and additions that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting,

communicating or distribution of material or information;

3. Limits of Liability. Regardless of the number of (1) Insureds hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of personal injury or advertising injury, the total limit of the Group's liability under this coverage for all damages shall not exceed the limit of liability stated in the declarations page as the "aggregate."

4. Additional Definitions

"Advertising Injury" means injury arising out of an offense committed during the policy period occurring in the course of the Named Insured's advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

"Personal Injury" means injury arising out of one or more of the following offenses committed during the policy period:

1. false arrest, detention, imprisonment, or malicious prosecution;

2. wrongful entry or eviction or other invasion of the right of private occupancy;

3. a publication or utterance:

   a. of a libel or slander or other defamatory or disparaging material; or

   b. in violation of an individual's right of privacy.

As respects law enforcement operations, the following additional **"Personal Injury"** definitions apply:

1. assault and/or battery;

2. false or improper service of process;

3. humiliation or mental distress; and

4. violation of civil rights or discrimination under 42 U.S.C. § 1981 et seq., or State Law;

"Wrongful Employment Practice" means:

1. employment-related discrimination in connection with hiring, promotion, advancement or opportunity demotion, discipline, pay, or termination on the basis of race, color, sex, age, religion, national origin, disability, sexual orientation, marital status, or pregnancy, or any conduct that violates any federal, state, or local law prohibiting employment discrimination;

2. sexual harassment, including unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature that (i) is a made an explicit or implied term or condition of employment; (ii) is used as a basis for employment decisions; or (iii) creates a work environment that is intimidating, hostile, or offensive; and

3. any of the following employment-related acts: misrepresentation, invasion of privacy, defamation, retaliation, wrongful discipline, negligent evaluation, negligent hiring, or negligent supervision.

C. BROAD FORM PROPERTY DAMAGE LIABILITY COVERAGE (INCLUDING COMPLETED OPERATIONS)

1. The insurance for property damage liability applies, subject to the following additional provisions:

i. Exclusion 14 is replaced by the following:

1. With respect to the completed operations hazard and with respect to any classification stated in the policy or in the Group's manual as "including completed operation," to property damage to work performed by the Named Insured arising out of such work or any portion thereof, or out of such materials, parts or equipment furnished in connection therewith.

D. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

1. The definition of bodily injury is amended to include "Incidental Medical Malpractice Injury."

"Incidental Medical Malpractice Injury" means injury arising out of the rendering of or failure to render, during the policy period, the following services:

i. medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or

ii. the furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

2. This coverage does not apply to:

i. expenses incurred by the Insured for first aid to others at the time of an accident and the "Supplementary Payments" provision and the Insured's "Duties in the Event of Occurrence,

Claim or Suit" Condition are amended accordingly;

ii. any Insured engaged in the business or occupation providing any of the services described under D(1)(i) and (ii) above, but this exclusion does not apply to employed nurses or athletic trainers acting within the scope of their duties; or

iii. injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under D(1)(i) and (ii) above.

E. ADDITIONAL PERSONS INSURED

1. As respects bodily injury, property damage, personal injury and advertising injury coverages, under the provision "Persons Insured," the following are added at the option of the Board of Education as Insureds:

i. Any employee or substitute of the Named Insured while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:

1. to property damage to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being exercised for any purpose by another employee of the Named Insured, or by the Named Insured, or, if the Named Insured is a partnership or joint venture, by any partner or member thereof or by the spouse of any of the foregoing;

ii. Volunteers while acting on behalf of and at the direction of the Board of Education; Parent-Teacher Associations (PTA); Parent-Teacher Organizations (PTO); and Home School Associations of the Board of Education; and their members while acting on behalf of and at the direction of the Board of Education;

iii. Foundations, affiliated 501(c)(3) Corporations and their members while acting on behalf of and at the direction of the Board of Education. However, none of the aforementioned individuals or organizations shall be an additional insured if any of the following conditions exist: annual revenue exceeds $100,000 or total assets exceed $500,000; have employees; have corporate sponsorship; affiliated with childcare; or have liquor or host liquor liability exposures;

iv. Student Teachers, but only as excess over liability insurance afforded by the college/educational institution where the student teacher is enrolled;

v. All students:

1. regularly enrolled in your cosmetology programs, but only while acting within the scope of his or her activities in such program and under the direction and supervision of the Insured; or

2. regularly enrolled in your nursing training program or related programs in the healing arts are added as additional insureds. This coverage only applies to their activities in the school board's medical training programs, and only while they are on their assigned health care facility premises and under the direction and supervision of college or health care facility personnel, and performing within limits outlined by the supervisors and instructors.

Persons not employed by the board, except for the students mentioned above, are specifically excluded from coverage. The colleges and health care facilities are also excluded.

This coverage is excess over any other valid and collectible insurance available to the students mentioned above.

vi. Owners or Lessor of Premises used by the Insured, but only as to accidents occurring on that part of the premises rented to the Named Insured or directly caused by the Named Insured's operations, and only for the Additional Insured's vicarious liability for the Named Insured's acts or omissions. This insurance does not cover the Additional Insured's own negligence (either active or passive) or liability due to its independent acts.

2. Any coverage provided hereunder shall be excess over other valid and collectible insurance available to the additional insured, whether that other insurance is primary, excess, contingent or provided on any other basis.

F. EXTENDED BODILY INJURY COVERAGE

1. The definition of "occurrence" includes any intentional act by or at the direction of the Insured which results in bodily injury, if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property.

G. EMPLOYEE BENEFITS LIABILITY COVERAGE

1. Insuring Agreement and Reporting Obligations. The Group will pay on behalf of the Insured those sums that the Insured becomes legally obligated to pay as damages because of any act, error or omission, of the Insured or of any other person for whose acts the Insured is legally liable, to which this insurance applies. The Group will have the right and duty to

defend the Insured against any "suit" seeking those damages. However, the Group will have no duty to defend the Insured against any "suit" seeking damages to which this insurance does not apply. The Group may, at its discretion, investigate any report of an act, error or omission and negotiate or settle any "claim" or "suit" that may result. However: (a) the amount we will pay for damages in any one policy period is limited as described in Paragraph 2 ("Limits of Insurance"); and (b) our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

This insurance will apply to damages only if the act, error or omission is negligently committed in the "administration" of your "employee benefit program."

This insurance applies only to a "claim" first made against the Insured and reported to NJSIG in writing during the policy period. Each policy period shall be the period shown in the declarations of this policy.

If the policy is renewed, then the Insured must give NJSIG written notice of any "claim" first made against the Insured during the last policy period, with full details, as soon as practicable after it is first made and in no event later than sixty (60) days immediately following the expiration date of the last policy period, but only by reason of any act, error or omission negligently committed in the "administration" of your "employee benefit program" first committed or alleged to have been committed before such expiration date and otherwise covered by this insurance.

If the Insured does not renew this policy after complying with all the terms and conditions thereof, including payment of all premiums or deductibles when due, or if NJSIG shall cancel or refuse to renew this policy for reasons other than the Insured's non-payment of premiums or deductibles or non-compliance with the terms and conditions of this policy, then this policy shall be extended automatically to apply, at no additional cost, to any "claim" first made against the Insured during the last policy period and reported to NJSIG in writing during the sixty (60) days immediately following the effective date of such termination, but only by reason of any act, error or omission negligently committed in the "administration" of your "employee benefit program" first committed or alleged to have been committed before such termination date and otherwise covered by this insurance.

The limits of liability, if any, applicable to such 60-day periods shall be equal to the amount of coverage remaining at the end of the last policy period.

2. **Limits of Insurance.** The limits of this insurance in any one policy period, including defense costs, are as follows: $1,000,000 each "employee," $2,000,000 aggregate.

   The limits of insurance described above and the rules below fix the most the Group will pay regardless of the number of (a) Insureds; (b) "claims" made or "suits" brought; (c) persons or organizations making "claims" or bringing "suits"; (d) acts, errors or omissions; or (e) benefits included in your "employee benefit program."

   The aggregate limit described above is the most the Group will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program."

   Subject to the aggregate limit described above, the "each 'employee'" limit is the most the Group will pay for all damages sustained by any one "employee" (including any dependents, beneficiaries, or legal representatives thereof) as a result of: (a) an act, error or omission negligently committed in the "administration" of your "employee benefit program"; or (b) a series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program."

   However, the amount paid under this coverage shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program."

3. **Deductible.** The Group's obligation to pay damages on behalf of the Insured applies only to the amount of damages in excess of a $1,000 deductible, as applicable to each "employee." The Group shall be liable for loss only in excess of such amount.

   The $1,000 deductible applies to all damages sustained by any one "employee" (including any dependents, beneficiaries, or legal representatives thereof) because of all acts, errors or omissions to which this insurance applies.

   The terms of this insurance apply irrespective of the application of the deductible amount, including those terms with respect to (a) our right and duty to defend any "suits" seeking those damages," and (b) your duties, and the duties of any other involved Insured, in the event of an act, error or omission, or "claim."

   The Group may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

4. **Defense, Settlement, and Supplementary Payments.** The provisions of the policy shall apply as respects the insurance hereby afforded, except that the Group shall not make settlement or compromise any claim or suit without the written consent of the Insured, whose consent shall not be unreasonably withheld.

5. Territory. As respects the insurance hereby afforded, this coverage applies only to claims under the legal jurisdiction of a court of law or a court of equity within the United State of America, its territories or possessions or Canada.

6. Definitions.

As used in this "Employee Benefits Liability" coverage:

"Administration" means:

1. providing information to "employees" (including any dependents, beneficiaries, or legal representatives thereof) with respect to eligibility for or scope of an "employee benefit program";

2. handling records in connection with the "employee benefit program"; or

3. effecting, continuing, or terminating the participation of any "employee" in any benefit included in the "employee benefit program";

   provided all such acts are authorized by the Named Insured.

   However, "administration" does not include handling payroll deductions.

"Cafeteria plan" means a plan authorized by applicable law to allow "employees" to elect to pay for certain benefits with pre-tax dollars.

"Claim" means any demand, "suit," or written notice of intent to sue, made by an "employee" (including any dependents, beneficiaries, or legal representatives thereof), for damages as a result of an act, error or omission.

"Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker" or "volunteer worker."

"Insured" means the Named Insured, the Board of Education as an entity, and all persons who were or are now Trustees, Directors and Members of the Board of Education individually; a former or present employee of the Named Insured who holds a position as Superintendent, Assistant Superintendent, Administrator, Assistant Administrator, Principal or Assistant Principal, or any equivalent administrative position; and any employees, student teachers or volunteers performing duties for the Named Insured or the Board of Education, but only while acting within the scope of the person's duties as such. "Insured" includes each "employee" who is or was authorized to administer the Insured's "employee benefit program."

"Employee Benefit Program" means a program providing some or all of the following benefits to "employees," whether provided through a "cafeteria plan" or otherwise:

1. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;

2. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans, and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

3. Unemployment insurance, social security benefits, workers' compensation, and disability benefits; and

4. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies.

"Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does not submit with the Group's consent; or

2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the Insured submits with our consent.

7. Exclusions. The insurance afforded hereunder does not apply to:

i. damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any Insured, including the willful or reckless violation of any statute;

ii. damages arising out of libel, slander, discrimination or humiliation;

iii. damages arising out of: bodily injury to, or sickness, disease or death, of any person; injury or

to destruction of any tangible property, including the loss of use thereof; or advertising injury;

iv. damages arising out of failure of performance of contract by any Insurer;

v. damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "Employee Benefit Program";

vi. any "claim" based on:

1. failure of any stock or investment to perform as represented by an Insured;

2. errors in providing information on past performance of investment vehicles;

3. advice given by an Insured to any person with respect to that person's decision to participate or not to participate in any plan included in the "Employee Benefit Program";

vii. any "claim" arising out of the Insured's failure to comply with the mandatory provisions of any law concerning workers' compensation, unemployment compensation insurance, social security or disability benefits law, or any similar law;

viii. any "claim" based on any actual or alleged error or omission or breach of duty, committed or alleged to have been committed by a trustee, in the discharge of fiduciary duties, obligations or responsibilities imposed by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws;

ix. any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the Insured, from the applicable funds accrued or other collectible insurance;

x. any taxes, fines, or penalties, including those imposed under the Internal Revenue Code or any similar state or local law;

xi. damages arising out of wrongful termination of employment, discrimination, or other employment-related practices; or

xii. any "claim" for monetary damages that were first known or reasonably should have been known by the Insured prior to the policy period, even if the amount of the damages is not certain.

8. Conditions.

i. The Conditions of the policy entitled, "Insured's Duties in the Event of Occurrence, Claim or Suit," "Action Against Group," "Other Insurance," "Transfer of Rights of Recovery Against Others to Us," "Changes," "Assignment," and "Cancellation," apply to this "Employee Benefits Liability" coverage.

ii. The following additional conditions apply:

1. Any terms of this "Employee Benefits Liability" coverage which conflict with the statutes of the state wherein this policy is issued are hereby amended to conform to such statutes.

H. PESTICIDE OR HERBICIDE APPLICATORS COVERAGE

1. With respect to pesticide or herbicide application operations, paragraph iv. of exclusion 18, applying to bodily injury liability and property damage liability, does not apply if the operations meet all standards of all statutes, ordinances, regulations or license requirements of any federal, state, or local government which apply to those operations.

2. The most we will pay for the sum of all claims under this coverage is $250,000 in any one policy period.

3. The limit also includes defense costs. This coverage limitation shall not increase the limits of liability.

I. LIMITED COVERAGE FOR "FUNGAL PATHOGENS"

1. Coverage for "Fungal Pathogens" is limited to liability for damages resulting from or in any manner related to "fungal pathogens."

2. The most we will pay for the sum of all claims under this coverage is $25,000 in any one policy period.

3. This limit also includes defense costs. This coverage limitation shall not increase the limits of liability.

4. As used in this coverage limitation, "fungal pathogens" means any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to, mold, mildew, mycotoxins, spores or any biogenic aerosols.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 5 – COMMERCIALGENERAL LIABILITY COVERAGE
18A STATUTORY PAYMENTS EXTENSION OF COVERAGE

A. 18A STATUTORY PAYMENTS COVERAGE

1. This policy is extended to provide the following coverage:

i. The Group agrees to pay or otherwise indemnify the Named Insured for 18A Statutory Payments.

1. **"18A Statutory Payments"** means reasonable defense costs which the Named Insured shall become obligated to pay by reason of the liability imposed by the Act of the Legislature of the State of New Jersey known as: N.J.S.A. 18A:16-6, N.J.S.A. 18A:16-6.1, and N.J.S.A. 18A:12-20, and any amendments thereto.

ii. The Group shall have the right and duty to defend the Named Insured in any suit seeking "18A Statutory Payments," and may make such investigation and settlement of any claim or suit as it deems expedient, but the Group shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Group's liability has been exhausted by payment of judgments, settlements, or defense costs. The Group shall have the right to select defense counsel and the Insured shall not engage counsel without consultation and approval by the Group.

1. With respect to matters filed with the School Ethics Commission, both the selection of counsel and counsel's billable rates require pre-approval in writing by both the Member and NJSIG, and NJSIG shall have the right to deny coverage if this written pre-approval is not secured.

iii. The defense costs provided by this extension are limited to a $100,000 annual aggregate and are included within the Limits of Liability provided under Article 5, Paragraph D(1) ("Bodily Injury Liability and Property Damage Liability") of Form NJSIG-G1 (7/26) ("Bodily Injury and Property Damage Liability Coverage Form") and subject to a $5,000 deductible per claim or the General Liability deductible, whichever is greater.

iv. Any claim under this extension must be reported to the Group within one year of its final disposition.

1. With respect to matters filed with the School Ethics Commission, written pre-approval of counsel and counsel's billable rates must be granted by both the Member and NJSIG as outlined in paragraph (ii)(1) above.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 1 – PROPERTY COVERAGE

A. INSURING AGREEMENT

Subject to the terms, conditions, exclusions and limitations contained herein or endorsed hereon and in consideration of the premium paid, this policy covers risks of direct physical loss or damage to insured property but in no event greater than an Insured's interest in the property, at premises scheduled on a Statement of Values with New Jersey Schools Insurance Group hereinafter referred to as "NJSIG," "we" or "us," provided such physical loss or damage occurs during the policy period resulting from an occurrence. The most that the New Jersey Schools Insurance Group will pay is the limit shown in the Declarations. The term occurrence shall mean any one loss, disaster or casualty or series of losses, disasters or casualties arising out of one event.

Assignment of this policy shall not be valid except with written consent of NJSIG.

B. GENERAL CONDITIONS

1. Concealment, Misrepresentation or Fraud:

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time.

It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

a. This Coverage Part;

b. The Covered Property;

c. Your interest in the Covered Property; or

d. A claim under this Coverage Part.

2. Other Insurance:

a. The Insured may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this coverage part. If the Insured does, the Group will pay its share of the covered loss or damage. The Group's 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.

b. If there is other insurance covering the same loss or damage, other than that described in paragraph (a) above, the Group will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether the Insured can collect on it or not. But the Group will not pay more than the applicable limit of insurance.

3. Conditions suspending or restricting insurance:

Unless otherwise provided in writing and added hereto, the Group shall not be liable for loss occurring while the hazard is increased by any means within the control or knowledge of the Insured.

C. LOSS CONDITIONS

1. Mortgageholders:

The term mortgageholder includes trustee.

If loss hereunder is made payable, in whole or in part, to a designated mortgage not named herein as the Insured, such interest in this policy may be cancelled by giving written notice to such mortgage holder at least 10 days before the effective date of cancellation.

If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

a. Pays the premium due under this Coverage Part at your request to do so;

b. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

c. Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All the terms of this Coverage Part will then apply to the mortgageholder.

If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

a. The mortgageholder's rights under this mortgage will be transferred to us to the extent of the amount we pay; and

b. The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

Other provisions relating to the interests and obligations of such mortgageholder may be added hereto by agreement in writing.

2. Duties In The Event of Loss or Damage:

a. 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, including a description of how, when and where the loss or damage occurred, but no later than 90 days from the date of loss or damage. Should this condition not be met, no payment is due from the Group.

3. 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.

4. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values, and amount of loss claimed.

5. 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.

6. Send us a signed, sworn proof of loss within 60 days after our request for same. We will supply you with the necessary forms. Should you wish to supplement your proof of loss to request additional payment for the claim, you must submit an amended, signed, and sworn proof of loss for the claim no later than one (1) year from the date of loss or damage. Should this condition not be met, no payment is due from the Group.

7. Cooperate with us in the investigation or settlement of the claim.

b. 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.

3. Appraisal:

If we and you disagree on the value of the property or the amount of the 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 the amount of the 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:

a. Pay its chosen appraiser, and

b. 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.

4. Abandonment:

There can be no abandonment of any property to New Jersey Schools Insurance Group.

5. When Loss Payable:

We will pay for the loss or damage within 60 days after we receive the sworn proof of loss, if you have complied with all of the items of this Coverage Part and

a. We have reached agreement with you on the amount of loss; or

b. An appraisal award has been made.

6. Legal Action Against Us:

No one may bring a legal action against us under this Coverage Part unless there has been full compliance with all the terms of this policy, and the action is brought within 12 months after the date on which the direct physical loss or damage occurred.

7. 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, must do nothing after loss to impair them, and shall, consistent with section C. 2. a. 8, have a duty to cooperate with us in the event we pursue our rights (including during any investigation or settlement of any claim). But you may waive your rights against another party in writing:

a. Prior to a loss to your Covered Property or covered income; or

b. After a loss to your Covered Property or covered income only if, at time of loss, that party is one of the following:

1. Someone insured by this insurance;

2. A business firm:

a. Owned or controlled by you; or

b. That owns or controls you; or

3. Your Tenant.

This will not restrict your insurance.

8. Loss Payable:

Unless otherwise provided herein, loss, if any, is to be adjusted with and payable to the Insured named in this policy.

9. Due Diligence:

We will only pay the loss incurred during such period as would be required with the exercise of due diligence under normal conditions to repair or replace the damaged property. We will not pay any damages resulting from your inability to make repairs or replacement because of strikes or labor disputes. Nothing in this clause shall be deemed to extend this insurance to property which is otherwise specifically excluded from coverage by the terms of this policy.

10. Deductibles:

a. In any one occurrence of loss or damage covered by this policy (hereinafter referred to as a loss), if the adjusted amount of the loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of the loss exceeds the deductible, we will then pay the amount of loss or damage in excess of the deductible up to the applicable limit of insurance. Except the following deductible will apply each occurrence for:

Flood: the deductible for the peril of flood other than buildings within or partially within a Special Flood Hazard Area (SFHA): a $10,000 deductible shall apply to losses incurred unless a larger deductible is stated in the Declarations, in which case the larger deductible shall apply.

b. Flood: an additional deductible shall apply per building and per building for its contents within or partially within a Special Flood Hazard Area: For any covered property eligible for National Flood Insurance Program (NFIP), coverage afforded under this coverage agreement is excess of the maximum limit of coverage which could have been purchased through NFIP, whether purchased or not.

A Special Flood Hazard Area (SFHA) generally means a High Risk Area or a High Risk Coastal Area. These properties are typically assigned to:

1. Zone A, AO, AH, A1 through 30, AE, A99, AR, AR/A1 through 30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1 through 30, VE, or ; or

2. A similar high risk rating by or through cooperation or contract with the Federal Emergency Management Agency (FEMA) or a successor or equivalent organization.

It is further agreed that the Special Flood Hazard Area (SFHA) designated at the inception of the policy period shall remain the designated SFHA until expiration.

11. Valuation:

We will determine the value of Covered Property in the event of loss or damage as follows:

a. On exposed film, records, manuscripts, and drawings and valuable papers and records, the cost of replacement or reproduction including the cost of reconstruction of information; if not replaced or reproduced, the cost of blank film, books, ledgers, or other media.

b. On objects of fine art; stated value as on file with the New Jersey Schools Insurance Group; if not scheduled such items are not covered.

c. On personal property of others for which the Insured is liable, shall be on an actual cash value basis.

d. On personal property of employees, the cost of replacement of the damaged or destroyed property in a new condition.

e. On vacant Real Property, as well as Personal Property on the premises of such vacant Real Property, the Group shall not be liable for more than the actual cash value (replacement cost less

depreciation) of the Real Property and/or Personal Property lost or damaged.

A building is considered vacant unless at least 50% of its total square footage is:

1. Used by the Named Insured to conduct customary operations; and/or

2. Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations.

A new Real Property under construction from the foundation up is not considered vacant during the construction period.

A Real Property under renovation and/or remodeling is not considered vacant once actual renovation and/or remodeling has commenced.

In any one occurrence, we will not pay for any loss or damage to Real Property which is vacant at the time the loss or damage occurs, or for any loss or damage to Personal Property on the premises of such vacant Real Property, where such loss or damage was caused by any of the following, even if they are a covered cause of loss:

a. Vandalism;

b. Arson;

c. Sprinkler leakage (unless you have protected the system against freezing);

d. Building glass breakage;

e. Water damage;

f. Theft; or

g. Attempted theft.

With respect to covered causes of loss other than those listed above, in any one occurrence, the most that NJSIG will pay for any loss or damage to Real Property of the Named Insured which is vacant at the time the loss or damage occurs, or for any loss or damage to Personal Property on the premises of such vacant Real Property, will be the lesser of:

a. $1,000,000, regardless of the Total Insured Value amount for the vacant Real Property reflected on the Statement of Values on file with NJSIG; or

b. The amount that NJSIG would otherwise pay for the loss or damage but reduced by 25%.

A $100,000 deductible shall apply to each occurrence unless a larger deductible is stated in the Declarations, in which case the larger deductible shall apply.

NOTWITHSTANDING THE ABOVE, NO COVERAGE SHALL APPLY TO REAL PROPERTY THAT IS VACANT FOR MORE THAN 24 CONSECUTIVE MONTHS OR TO PERSONAL PROPERTY ON THE PREMISES OF SUCH VACANT REAL PROPERTY. THE CALCULATION OF THIS 24-MONTH PERIOD WILL BEGIN ON JULY 1, 2024. ANY PERIOD OF VACANCY COMMENCING ON OR AFTER JULY 1, 2024 MAY COUNT TOWARDS THIS CALCULATION EVEN IF NJSIG DID NOT INSURE THE PROPERTY DURING ALL OR PART OF SUCH PERIOD OF VACANCY.

f. On newly acquired property or property not otherwise provided for in Loss Condition 11, the cost of replacement of the damaged or destroyed property in a new condition subject to the following conditions:

1. If the property damaged or destroyed is not repaired, rebuilt or replaced on the same or another site within two years after the loss or damage, the Group shall not be liable for more than the actual cash value (replacement cost less depreciation) of the property destroyed.

2. The total liability of this Group under this policy for loss to property shall not exceed the smallest of the following:

   a. The cost to repair, or

   b. The actual expenditure incurred in rebuilding, repairing or replacing the damaged or destroyed property on the same or another site.

But in no event will the cost of repair or replacement exceed the limits shown in the declarations.

g. Agreed Value, Undervaluation Coinsurance Penalty:

Notwithstanding the above, you are required to maintain a minimum stated building and contents value on your current Statement of Values on file with NJSIG for each Covered Property equal to the last appraised value of the Covered Property that was performed prior to the inception date of this policy, multiplied by the Agreed Value percentage shown in the Declarations. If you fail to do so, or if the Covered Property has not been

appraised prior to the inception date of this policy, the following Undervaluation Coinsurance Penalty will apply: We will not pay the full amount of any covered loss, including but not limited to a partial covered loss. Instead, we will determine the amount we will pay using the following steps:

1. Multiply the building and contents value of the Covered Property at the time of loss by the Undervaluation Coinsurance Penalty percentage shown in the Declarations. For purposes of this calculation, the building and contents value of the property at the time of loss shall be:

   a. For a partial loss:

      i. The last appraised value of the Covered Property that was performed prior to the inception date of this policy; or

      ii. If no appraisal was performed prior to the inception date of this policy, then by an after loss appraisal.

   b. For a total loss, the actual cost of replacement;

2. Divide the building and contents value on your current Statement of Values for the Covered Property by the figure determined in step 1;

3. Multiply the total amount of covered loss, before the application of any deductible, by the figure determined in step 2; and

4. Subtract the deductible from the figure determined in step 3.

We will pay the amount determined in step (4). For the remainder (which is the Undervaluation Coinsurance Penalty), you will either have to rely on other insurance or absorb the loss yourself.

12. Liberalization:

If NJSIG should adopt any change to the standard policy form, which broadens coverage without an additional premium charge, the Named Insured shall automatically receive the benefit of the broadened coverage.

13. Unintentional Errors or Omissions:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance.

However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

14. Inspections and Surveys:

We have the right but are not obligated to:

a. Make inspections and surveys at any time;

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

c. Recommend changes.

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.

This condition applies not only to us, but also to any insurer or reinsurer of the Group which makes inspections, surveys, reports or recommendations.

15. Application of Sublimits:

a. **Application to Insured Interests:** Each sublimit stated in this policy applies as part of, and not in addition to, the overall policy limit for an occurrence insured hereunder. Each sublimit is the maximum amount potentially recoverable from all insurance layers combined for all insured loss, damage, expense, time element or other insured interest arising from or relating to that aspect of the occurrence, including but not limited to type of property, construction, geographic area, zone, location or peril.

b. **Application Within Perils:** If insured under this policy, any sublimit for earthquake, earth movement, flood, windstorm, named storm, or named windstorm is the maximum amount potentially recoverable from all insurance layers combined for all insured loss, damage, expense, time element or other insured interest arising from or relating to such an occurrence. If flood occurs in conjunction with a windstorm, named storm, named windstorm, earthquake or earth movement, the flood sublimit applies within and reduces the sublimit for that windstorm, named windstorm, earthquake or earth movement.

c. **Shared Coverage:** All coverage under this policy is provided on a shared and pool-wide basis. In the event of a single occurrence that causes direct physical loss or damage to property of more than one individual member, it is possible that the applicable limit of liability or sublimit(s) of

liability (whether on a per occurrence or annual aggregate basis), will be insufficient to fully indemnify the physical loss or damage as sustained by multiple individual members.

If the applicable limit of liability or sublimit is insufficient, the amount recoverable by each individual member will be allocated as determined by NJSIG. As a result, a delay in the reporting of claims by any individual member could reduce or eliminate such individual member's recovery under this policy.

Furthermore, any annual aggregate limit of liability or sublimit may even be exhausted or reduced by the prior payment of claims arising out of separate occurrence(s) in the same policy Term. As a result, it is possible that there may be no remaining limit available to pay a specific member's claim under the policy.

D. COVERED PROPERTY

We will pay for direct physical loss of or damage to Covered Property at the premises scheduled with NJSIG.

Covered Property, as used in this Coverage Part, means the type of property described in this section **D. 1. and 2**, and limited in **E. Property Excluded**, if a Limit of Insurance is shown in the Declarations for that type of property.

1. Real Property:

   If an amount of insurance for Real Property is stated in the Declarations, coverage on Real Property shall include all property which is owned by the Insured, in which the Insured has an insurable interest or which the Insured is under obligation to insure, including completed additions, and shall also include all supplies, tools and fixtures, machinery and equipment constituting a permanent part of and pertaining to the service of such Real Property, including: fire extinguishing equipment, outdoor furniture, floor coverings, and appliances used for refrigerating, ventilating, cooking, dishwashing or laundering , all while situated on the premises described herein.

   a. New Buildings and Additions – Limited Builders Risk:

      The above shall also include:

      New buildings and other structures, and additions, now in process of erection or hereafter erected including alterations and repairs to buildings and structures herein insured; also (1) materials and supplies, including other property (i.e. construction forms, cribbing, scaffolding) not constituting a permanent part of the structure and (2) equipment, machinery and apparatus for service thereof, all when (a) on such premises or within 500 feet thereof; (b) in transit; (c) in temporary storage off- site. The most that the Group will pay under this section is $10,000,000 regardless of the number of locations or members.

   b. Newly Acquired

      Newly acquired, occupied, or constructed building or structure must be reported to the Group within 60 days of the time of acquisition, occupancy or completion of construction or the most that will be paid under this section is $5,000,000. After 60 days, the most that the Group will pay is $1,000,000, regardless of the value.

2. Personal Property:

   a. Coverage on Personal Property shall include all such property owned by the Insured anywhere in the world. However, property in transit is limited to $1,000,000 in any one occurrence.

   b. This coverage shall also include improvements and betterments introduced by the Insured to buildings not owned by the Insured, the Personal Property of which is insured hereunder. Improvements and betterments are fixtures, alterations, installations or additions a) made a part of the building or structure occupied but not owned by the Insured; and b) acquired by or made at the expense of the Insured which the Insured cannot legally remove. For loss adjustment purposes, the Insured shall be considered as sole and unconditional owner of such improvement and betterments, any contract or lease to the contrary notwithstanding.

   c. This policy also covers Personal Property other than motor vehicles, of officers and employees of the Insured while on described premises or anywhere while used by the employee in the course of employment.

   d. Unless otherwise provided herein, this policy shall also cover while in the custody of the Insured:

      1. Personal Property of others which the Insured is under obligation to keep insured, except when the Insured is acting as a warehouseman, bailee for hire or carrier for hire;

      2. The interest of the Insured in and legal liability for loss or damage by any of the perils herein insured against to personal property belonging to others. It is understood and agreed that the coverage provided by this clause shall not attach to any property of others which is of a kind or character specifically excluded under any other conditions of this policy.

E. PROPERTY EXCLUDED

This policy does not cover the following property unless specifically scheduled or included elsewhere in this policy:

1. Land (including land on which the property is located), growing and/or standing crops and timber; reservoirs, water, canals and dams; tunnels and bridges used for public vehicular traffic; docks, piers and wharves which are not part of a building; underground pipes, flues and drains more than 1000 ft. from premises;

2. Bullion, precious metals, jewelry, gemstones, watches, silverware, furs or articles trimmed with fur;

3. Motor vehicle licensed for highway use;

4. Aircraft, watercraft, except as provided under Additional Extensions of Coverage, Crew and Sculling Watercraft;

5. Animals and birds;

6. Accounts, bills, currency, deeds, evidences of debt, money or securities;

7. Unused or obsolete electronic data processing equipment;

8. Lawns, shrubs, trees or plants;

9. Pavements, parking lots, sidewalks and roadways, except that 8. and 9. are covered against loss or damage caused by fire and explosion, but the Group's limit of liability shall not exceed $500,000;

10. Electronic data, meaning information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This subsection 10. does not apply to your "stock" of prepackaged software.

F. EXTENSIONS OF COVERAGE

Each coverage specified for the following Extensions of Coverage is an additional amount of insurance subject to the deductible, and to all other conditions of this policy. The Group's liability for loss or damage under these Extensions of Coverage will be limited only to the loss or damage due to a covered loss. When there is contributing insurance providing coverage for these Extensions of Coverage, the Group will not be liable for more than our pro rata share of the limits in the declarations.

1. Fire Department Service Charge:

This policy shall pay up to the limit specified in the declarations in any one loss for your liability for fire department service charges when the fire department is called to save or protect covered property from an insured peril, if your liability is:

a. Assumed by contract or agreement prior to loss; or
b. Required by local ordinance.

We will not pay for service charges related to false alarms.

2. Arson Reward:

This policy shall pay up to the limit specified in the declarations in any one loss that was a covered fire loss as a result of an act of arson, for rewards the Insured pays for information leading to convictions for that arson.

G. ADDITIONAL EXTENSIONS OF COVERAGE

The following provisions extend the coverage provided under coverage part D. COVERED PROPERTY. Each extension is subject to all the terms, exclusions, limits and conditions, including deductibles of this policy unless otherwise stated. The Group shall not be liable under any extension for more than the amount stated in the declarations. Nothing contained within any extension shall operate to increase any amounts or limits of insurance provided by this policy.

1. Earthquake, Volcanic Eruption, Landslide and Mine Subsidence:

This policy shall pay up to the limit specified in the declarations for property under coverage part C. for the following:

a. Earthquake, meaning a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes;

b. Volcanic Eruption, meaning the rapid downward movement of a mass of rock, earth or artificial fill on a slope;

c. Landslide, meaning the rapid downward movement of a mass of rock, earth or artificial fill on a slope;

d. Mine Subsidence, meaning lateral or vertical ground movement caused by a failure initiated at the mine level of man-made underground mines,

including but not limited to coal, clay limestone and fluorspar mines.

All Earthquake shocks, Volcanic Eruptions, Landslides or Mine Subsidence ground movements that occur within any 168-hour period will constitute a single Earthquake, Volcanic Eruption, Landslide or Mine Subsidence. The expiration of this policy will not reduce the 168-hour period.

The following additional exclusions apply to this insurance:

a. The Group will not pay for loss or damage caused directly or indirectly by flood, as defined in F. Additional Extensions of Coverage, even if attributable to an Earthquake, Volcanic Eruption, Landslide or Mine Subsidence;

b. The Group will not pay for loss or damage caused by or resulting from any Earthquake, Volcanic Eruption, Landslide or Mine Subsidence that begins before the inception of this insurance;

c. This insurance does not apply to the cost of restoring or remediation of land or to loss resulting from the time required to restore or remediate land.

The most that the Group will pay for the total of all loss or damage caused by Earthquake, Volcanic Eruption, Landslide and Mine Subsidence in any one policy year is the single highest Annual Aggregate Limit of Insurance specified for Earthquake, Volcanic Eruption, Landslide and Mine Subsidence shown in the Declarations. This limit is part of, and does not increase, the Limits of Insurance that apply under this policy.

Subject to the single highest Annual Aggregate Limit of Insurance:

a. Any individual Annual Aggregate Limit of Insurance shown in the Declarations for Earthquake, Volcanic Eruption, Landslide and Mine Subsidence is the most the Group will pay in any one policy year for all loss or damage to which that limit of insurance applies;

b. If more than one Annual Aggregate Limit of Insurance applies to loss or damage under this coverage in any one occurrence, each limit will be applied separately, but the most the Group will pay under this extension for all loss or damage in that occurrence is the single highest Annual Aggregate Limit of Insurance applicable to that occurrence.

2. Flood:

This policy shall pay up to the limit specified in the declarations for property in coverage part C. Property Insured in any one loss that was a covered loss, subject to the following:

Flood meaning:

a. Surface water, underground water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

b. Mudslide or mudflow;

c. Release of water impounded by a dam; or

d. Water which backs up through sewers, drains or sumps.

All flood loss that occurs:

a. During a period of continued rising or overflow of any river(s), stream(s) or any body of water and the subsidence of same within the banks of such river(s), stream(s) or bodies of water; or

b. Due to any tidal waves that occur within any 168-hour period; will constitute a single flood occurrence.

If flood loss commences prior to the expiration date of this policy and the flood occurrence, as defined above, extends beyond the expiration date of this policy, the expiration of the policy will not reduce the flood occurrence period.

The following additional exclusions apply to this insurance:

a. The Group will not pay for loss or damage caused directly or indirectly by Earthquake, as defined in F. Additional Extensions of Coverage, even if attributable to a flood. But this exclusion does not apply to mudslide or mudflow that is caused or precipitated by the accumulation of water on or below the ground;

b. The Group will not pay for loss or damage caused by or resulting from a flood occurrence that begins before the inception of this insurance;

c. This insurance does not apply to the cost of restoring, recovering or de-watering land or to loss resulting from the time required to restore, recover or de-water land.

The most the Group will pay for the total of all loss or damage caused by flood in any one policy year is the single highest annual aggregate limit of insurance specified for flood shown in the declarations. This limit is part of, and does not increase, the limits of insurance that apply under this policy.

Subject to the single highest annual aggregate limit of insurance:

a. Any individual annual aggregate limit of insurance shown in the Declarations for flood is the most the Group will pay in any one policy year for all loss or damage to which that limit of insurance applies;

b. If more than one annual aggregate limit of insurance applies to loss or damage under this extension in any one occurrence, each limit will be applied separately, but the most the Group will pay under this extension for all loss or damage in that occurrence is the single highest annual aggregate limit of insurance applicable to that occurrence.

3. Valuable Papers:

This policy shall pay up to the limit specified in the declarations for the Insured's costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those on electronic or magnetic media for which duplicates do not exist.

4. Fine Arts:

This policy shall pay up to the limit specified in the declarations for Fine Arts that have been scheduled and filed with the Group. In no event will the Group be liable for more than $1,000,000 for this coverage.

5. Debris Removal:

This policy covers the expense to remove debris of covered property from the described premises remaining as a result of a covered loss that occurs during the policy period.

The Group's total liability including physical damage and time element loss combined, for each insured location sustaining physical damage payable in any occurrence shall not exceed the greater of:

a. 25% of the amount of physical damage loss payable at that location; or

b. $2,500,000, except that the provision of this clause shall not increase any other amounts of insurance of limits of liability provided elsewhere in this policy.

This insurance does not cover any expense involved to:

a. Extract pollutants from the debris; or

b. Extract pollutants from land or water; or

c. Remove, restore or replace contaminated or polluted land or water; or

d. Remove or transport any property or debris to a site for storage or decontamination required because the property or debris is affected by pollutants, whether or not such removal, transport, or decontamination is required by law or regulation.

It is a condition precedent to recovery under this policy that the group shall have paid (or agreed to pay) for direct physical loss or damage to the property insured hereunder and that the group received written notice of intent to claim for cost of the debris removal no more than twelve months after the date of such direct physical loss or damage.

6. Utility Services-Direct Damage:

This policy shall pay up to $250,000 for loss of or damage to covered property caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage not otherwise excluded or limited under this policy.

Coverage under this extension does not apply to loss or damage to electronic data, including destruction or corruption of electronic data.

Utility services include the following:

Water Supply Services, meaning the following types of property supplying water to the described premises:

a. Pumping stations; and

b. Water mains.

Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

a. Communication transmission lines, including optic fiber transmission lines;

b. Coaxial cables; and

c. Microwave radio relays except satellites.

It does not include overhead transmission lines.

Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

a. Utility generating plants;

b. Switching stations;

c. Substations;

d. Transformers;

e. Transmission lines.

It does not include overhead transmission lines.

7. Limited Coverage for "Fungus," Wet Rot, Dry Rot and Bacteria:

We will pay for loss or damage by "fungus," wet or dry rot or bacteria. As used in this limited coverage, the term loss or damage means:

a. Direct physical loss or damage to covered property caused by "fungus," wet or dry rot or bacteria, including the cost of removal of the "fungus," wet or dry rot or bacteria;

b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus," wet or dry rot or bacteria; and

c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus," wet or dry rot or bacteria are present.

The coverage described under G. 7. is limited to $25,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences in any one policy period. With respect to a particular occurrence of loss which results in "fungus," wet or dry rot or bacteria, we will not pay more than a total of $25,000 even if the "fungus" wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

As used in this coverage extension, the term "fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

8. Alternative Energy Generating Equipment-Business Income:

This policy shall pay up to $25,000 annually for loss of income arising from the use of alternative energy equipment caused by an interruption in service. The interruption in service must result from direct physical loss or damage not otherwise excluded under this policy.

Regardless of the number of claims, this limit is the most we will pay for the total of all loss of income arising out of all occurrences in any one policy period.

9. Asbestos Cleanup and Removal:

This policy shall pay your expense to clean up or remove asbestos as a result of a covered loss that occurs in the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the covered cause of loss occurs.

The coverage described under G. 9. is limited to $25,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences in any one policy period.

10. Accounts Receivable:

You may extend the insurance that applies to Personal Property to apply to accounts receivable. We will pay:

a. All amounts due from your customers that you are unable to collect;

b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

c. Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and

d. Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from direct physical loss or damage by any covered cause of loss to your records of accounts receivable.

The most that we will pay under this Additional Extension of Coverage for loss or damage in any one occurrence at the described premises is $250,000.

The following additional exclusions apply:

We will not pay for:

a. Loss or damage caused by or resulting from electrical or magnetic injury, disturbance erasure of electronic recordings that is caused by or results from:

   1. Programming errors or faulty machine instructions;

   2. Faulty installation or maintenance of data processing equipment or component parts;

   But we will pay for direct loss or damage caused by lightning.

b. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

c. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions;

d. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

11. Fire Extinguisher Recharge:

You may extend this policy to apply to the cost to recharge your fire extinguisher that was discharged as a result of a covered cause of loss.

12. Crew and Sculling Watercraft and Equipment:

You may extend the insurance that applies to Personal Property to apply to Crew and Sculling Watercraft and equipment; support boats under 20' and under 50 hp. and sail boats under 20'.

The most that we will pay under this Additional Extension of Coverage for loss or damage in any one occurrence from a covered cause of loss is $50,000.

H. EXCLUSIONS

GROUP I: We will not pay for loss or damage caused by or resulting from any of the following:

1. Electric or magnetic injury or disturbance of any kind (including erasure of electric or magnetic recordings);

2. Wear and tear, hidden or latent defect or any quality in property that causes it to damage or destroy itself; or nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents, or other animals;

3. Smog, dampness or dryness of atmosphere; settling, cracking, shrinking or expansion; evaporation, loss of weight; rust, corrosion, erosion, depletion, contamination; change in flavor, color, texture, or finish;

4. Any error or omission in maintaining or processing any property or by testing or otherwise working upon such property;

5. Settling, subsidence, cracking, shrinking, bulging or expansion, or resulting therefrom, of foundations, walls, roofs, floors, and ceilings, but this exclusion shall not apply to loss or damage resulting from collapse of a building, structure or material part thereof. The word "collapse" as used herein means the caving in or falling inwards or outward of the building or structure or material part thereof;

6. Faulty, inadequate, or defective: Planning, zoning, development, surveying, siting, design specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction; Materials used in repair, construction, renovation or remodeling; or Maintenance.

7. Centrifugal force of rotating or moving parts of machinery;

8. Electrical, mechanical or structural breakdown of machinery or equipment including moving or stationary parts within or forming an integral part of such machinery or equipment;

9. Rain, sleet, snow, ice, sand or dust to personal property in the open.

GROUP II: We will not pay for loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any other sequence to the loss:

1. Loss of market; loss of use, damage or deterioration arising from delay, whether such delay be caused by a covered loss or otherwise; loss caused by any legal proceeding;

2. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or lease by you or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in a fire or combustion explosion, we will pay for the loss or damage caused by or resulting from the explosion of gases or fuel within the flues or passages through which the gases of combustion pass;

3. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property, except that this exclusion shall not apply to property while in the custody of any bailee;

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

5. Action taken by governmental authority in hindering, combating or defending against such an occurrence described in 4.; seizure or destruction under quarantine or customs regulation; confiscation by order of any government or public authority; except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any peril excluded; risks of contraband or illegal transportation or trade;

6. Nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect;

proximate or remote, or be in whole or in part caused by, contributed to or aggravated by any of the perils insured against by the policy.

7. Dishonest or criminal act by you, any of your officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose: 1) acting alone or in collusion with others; or 2) whether or not occurring during the hours of employment;

8. Except as provided for in F. Additional Extensions of Coverage, any earth movement, including but not limited to landslide, mudflow, earth sinking, earth rising or shifting; or resulting from, contributed to or aggravated by any of the foregoing, unless directly caused by earthquake.

9. Except as provided for in F. Additional Extensions of Coverage, any Seepage or influx of water from natural underground sources into basements or other floors; or resulting from, contributed to or aggravated by any of the foregoing;

10. Any lack of power or fuel caused by mechanical breakdown on the insured premises, or electrical breakdown or electrical disturbance of any kind on the insured premises, unless loss by fire or explosion ensues and then this Group shall be liable only for such ensuing loss;

11. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss;

12. Except as provided for in F. Additional Extensions of Coverage, any interruption of incoming services to the described premises whether or not caused by or contributed to by a covered claim unless loss by fire or explosion ensues and then this Group shall be liable for such ensuing loss;

13. This policy does not insure against loss or damage consisting of or caused by directly or indirectly by any of the following (such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss except as provided in 13D.):

    a. The failure, malfunction or inadequacy or the inability to use or have access to:

        1. Any of the following, whether belonging to the Insured or to others:

            a. Computer hardware, including microprocessors;

            b. Computer application software;

            c. Computer operating systems and related software;

            d. Computer networks;

            e. Microprocessors (computer chips) not part of any computer system;

            f. Any other computerized or electronic equipment or components; or

        2. Any other products or services that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph (a)(1) of this exclusion; due to the inability of those products or services described in paragraphs (a)(1) and (2) to correctly recognize, distinguish, interpret or accept one or more dates or times.

    b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair or supervision done by or for the Insured to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in paragraph (a) above.

    c. The destruction, disruption, distortion or corruption of any computer data, coding, program or software if related to dates or times.

    d. If an excluded type or cause of loss as described in the first paragraph of this endorsement results in direct physical loss or damage from a covered cause of loss under the Property Coverage then this policy shall pay only for such resulting loss or damage subject to the following exceptions: This policy will not pay for resulting loss or damage if the cause of loss is:

        1. Mechanical or machinery breakdown; or

        2. Artificially generated electric current, including electrical arcing, that disturbs items in paragraph (a) above unless fire results, and then this policy shall pay only for the loss or damage caused by that fire.

    e. This policy does not insure against preventative or remedial costs to repair or modify any items in (a)(1) and (2) above to correct any actual or potential deficiencies or change any features of logic or operation.

    f. This policy does not insure against any expense incurred by the Insured or others in the defense, safeguarding, protecting or recovery of property whether before or after loss due to any actual or potential loss excluded in this exclusion.

14. This policy does not apply to and specifically excludes losses of any kind directly or indirectly caused by, arising from or consisting of, in whole or in part:

    a. The use or misuse of the Internet or similar facilities; Internet means the world wide public network of computers as it currently exists or may be manifested in the future, including the Internet, an intranet, an extranet or a virtual private network;

    b. The electronic transmission of data or other information;

    c. Any malicious code, computer virus or similar problem;

    d. The use or misuse of any Internet address, Website, computer system, network of computers or similar facility;

    e. Any data or other information posted on a Website, Internet, intranet, local area network, virtual private network or similar facility;

    f. Any loss/damage of data or damage to any computer system, including but not limited to hardware or software (unless such loss or damage is caused by a peril covered hereon);

    g. The functioning or malfunctioning of the Internet, intranet, local area network, virtual private network or similar facility, or of any Internet address, Website or similar facility (unless such malfunctioning is caused by a peril covered hereon); or

    h. Any infringement, whether intentional or unintentional, of any intellectual property rights (including but not limited to trademark, copyright or patent).

15. This contract excludes all and any acts of Terrorism committed by a person or persons acting either individually or on behalf of or in connection with any organization or group.

    "Terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, power, authority or military force, when the effect is to intimidate or coerce a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

    Terrorism shall also include any act which is certified or recognized by the United States Government as an act of terrorism.

    In any action, suit or other proceeding, where the Company alleges that by reason of the provisions of this Condition any loss or damage is not covered by this insurance, the burden or proving that such loss or damage is covered shall be upon the Insured.

    However, this exclusion shall apply only after the Group has expended $1,000,000 per occurrence from all lines of coverage, in the payment of claims. In no event will the Groups liability for payment of claims exceed $1,000,000 in the aggregate annually from all lines of coverage.

16. Except as provided for in F. Additional Extensions of Coverage, loss or damage, or any increase in the amount of loss or damage, caused directly or indirectly by, or resulting from, the presence, growth, proliferation, spread or any activity of "fungus," wet or dry rot or bacteria, however caused. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

    But if the presence, growth, proliferation, spread or activity of "fungus," wet or dry rot or bacteria results in fire or explosion, this exclusion does not apply to loss or damage caused by that resulting fire or explosion.

    However, this exclusion shall not apply to claims for damages under $10 million arising from fire or lightning and is reported within 30 days.

17. Loss or damage caused by or resulting from:

    a. Continuous or repeated seepage, leakage or flow of water; or

    b. The presence or condensation of humidity, moisture or vapor; that occurs over a period of 14 days or more.

18. Loss or damage to, or any loss that is a consequence of loss or damage to the interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

    a. The building or structure first sustains damage by a cause of loss insured against under this policy to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

    b. The loss or damage is caused by or results from the thawing of snow, sleet or ice on the building or structure.

    Any portion of a building or structure that is within the exterior-facing material of a building or structure shall constitute the interior of that building or structure.

c. This exclusion will not apply to claims for direct physical loss or damage to the interior of any building or structure, or the property inside the building or structure caused by Wind Driven Rain, provided that the following conditions are met at the time of loss:

1. After inspection by a qualified insurance adjuster, there is no evidence of consistent and repeated damage prior to the loss; or

2. Insured does not own the building and is not responsible for the exterior/roof maintenance as per the lease agreement.

Wind Driven Rain means rain, snow, sand or dust pressing on or flowing or seeping through the roofs, doors, windows, or other openings of the building or structure.

The most we will pay under 18.c. for loss or damage in any one occurrence is $25,000.

19. Except for the limit provided in the Declarations and subject to the coverage provided by the Demolition and Increased Cost of Construction Endorsement attached hereto, Loss or damage as a result of the enforcement of any ordinance or law:

a. Regulating the construction, use or repair of any property; or

b. Requiring the tearing down of any property, including the cost or removing its debris.

The Group will not pay for:

a. Loss caused by or resulting from the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "fungus," wet or dry rot or bacteria; or

b. Costs associated with the enforcement of any ordinance or law which requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus," wet or dry rot or bacteria.

As used in exclusion 16 and 19, "fungus" means any type or form of fungus, including but not limited to mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.

20. Collapse of buildings meaning an abrupt falling down or caving in of a building or substantial portion of a building with the result being that the building or substantial portion of a building cannot be occupied for its intended purpose.

a. This exclusion will not apply to collapse of buildings if caused only by one or more of the following:

1. A "specified cause of loss";

2. Decay or insect or vermin damage that is hidden from view, unless the presence of such decay or insect or vermin damage is known to the insured prior to collapse;

3. Weight of people or personal property;

4. Weight of rain that collects on a roof;

5. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation; or

6. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in 20(a)(1) through (4), above.

In the event collapse results in a covered cause of loss, the company will be liable only for such resulting loss or damage by that covered cause of loss.

b. A building or portion of a building that

1. Is in imminent danger of abruptly falling down or caving in; or

2. Suffers a substantial impairment of structural integrity; is not considered a collapse but is considered to be in a state of imminent collapse.

c. As respects buildings in a state of imminent collapse, the Group will not pay for loss or damage unless the state of imminent collapse first manifests itself during the policy period and is caused only by one or more of the following which occurs during the policy period:

1. Fire; lightning; explosion; windstorm or hail; aircraft or vehicles; riot or civil commotion; sinkhole collapse; weight of snow, ice or sleet;

2. Weight of people or personal property;

3. Weight of rain that collects on a roof; or

4. Use of defective material or methods in construction, remodeling or renovation if the state of imminent collapse occurs during the

course of construction, remodeling or renovation.

d. As used in this exclusion, a "specified cause of loss" means any of the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; or water damage.

    1. Falling objects does not include loss or damage to:

        a. Personal property in the open; or

        b. The interior of a building, or property inside a building, unless the roof or an outside wall of the building is first damaged by a falling object.

    2. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

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

22. This policy does not cover any loss, damage, cost claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

    a. The calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, program, or software and/or any microchip, integrated circuit or similar device in computer equipment or non–computer equipment, whether the property of the Insured or not; or

    b. Any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not.

    This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

23. There shall be no coverage under this policy for expenses incurred by the Insured in utilizing the services of Attorneys, Public Adjusters, or Insurance Agents. This policy also excludes any fees or costs for consultation on coverage or negotiation of claims, and the costs or expenses of overhead or operating expenses of any Insured, including salaries of such Insured's employees.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 1 – PROPERTY JOINT LOSS AGREEMENT

Joint Loss

(1) This coverage is intended to facilitate payment of insurance proceeds when:

(a) Both an equipment breakdown policy and this Property Coverage Policy are in effect.

(b) Damage occurs to Covered Property that is insured by the equipment breakdown policy and this Property Coverage Policy

(c) There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any by each insurer under its own policies.

(2) We and the equipment breakdown insurer(s) will make payments to the extent, and in the manner described as follows:

(a) We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by the equipment breakdown policy and one-half (1/2) the amount of loss that is in disagreement;

(b) The equipment breakdown insurer(s) will pay, after your written request, the entire amount of the loss that they have agreed as being covered, if any, by the equipment breakdown policy and one-half (1/2) the amount of loss that is in disagreement.

(c) If the damage to the Covered Property was caused by a loss for which both the equipment breakdown insurer(s) and we admit to some liability for payment under the respective policies and the equipment breakdown insurer(s) and we agree to submit our differences to arbitration, the equipment breakdown insurer(s) and we will determine the amount each will pay and will pay the insured within 90 days. Arbitration will then take place within 90 days after the payment of the loss under the terms of this endorsement.

(d) If either:

1. The equipment breakdown insurer(s) does not admit any liability for payment, while we contend that:

a. All liability exists under the equipment breakdown policy, or

b. Some liability exists under the equipment breakdown policy and this Property Coverage Policy;

2. We do not admit to any liability while the equipment breakdown insurer(s) contends that:

a. All liability exists under this Property Coverage Policy, or

b. Some liability exists under both the equipment breakdown policy and this Property Coverage Policy, or

3. Both the equipment breakdown insurer(s) and we:

a. Do not admit to any liability for payment, and

b. Contend that some or all liability exists under the other insurer's policy.

Then the equipment breakdown insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this endorsement.

(e) The provisions of this condition shall not apply unless the equipment breakdown policy carried by the named insured, insuring the Covered Property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this endorsement, and

(f) You agree to cooperate in connection with such arbitration and not intervene therein.

(g) Acceptance by you of any payment pursuant to the provisions of this condition including any arbitration award, shall not operate to alter, waive or surrender or in any way affect the rights you have against us or the equipment breakdown insurer.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 1 – PROPERTY COVERAGE
POLLUTION, CONTAMINATION AND ASBESTOS EXCLUSION

1. DEFINITIONS

"CONTAMINATION" means any unclean or unsafe or damaging or injurious or unhealthful condition arising out of the presence of pollutants, whether permanent or transient in any environment.

"**ENVIRONMENT"** includes any person, any real or personal property, animals, crops and vegetation, land including land over which the building is placed, bodies of water, underground water or water table supplies, air and any other feature of the earth or its atmosphere, whether or not altered, developed or cultivated, including, but not limited to, any of the above owned, controlled or occupies by an insured.

"POLLUTANTS" means smoke vapors, soot, fumes, acids, alkalis, chemicals, liquids, solids, gases, thermal pollutants, waste and all other irritants or contaminants. Waste includes material to be recycled, reconditioned, or reclaimed.

2. POLLUTION AND CONTAMINATION EXCLUSION

This insurance policy does not cover loss or damage caused by the release, discharge or dispersal of pollutants (as defined in Section 1. above) into the environment anywhere, at any time, in any way, whether accidental or intentional, sudden or intermittent or continuous.

3. ASBESTOS, DIOXIN AND PCB EXCLUSION

Except as provided for under Article 1. G. 9. Asbestos Cleanup and Removal, this insurance policy does not cover:

A. Asbestos, dioxin or polychlorinated biphenyls (PCB's) (hereinafter all referred to as "Materials") removal from good, product or structure.

B. Demolition or increased cost of reconstruction, repair, debris removal or loss of the use necessitated by the enforcement of any law or ordinance regulating such Materials.

C. Any governmental direction or request declaring that such Material present in or part of or utilized on any undamaged portion of the insured's property can be no longer be used for the purpose for which it was intended or installed or must be removed or modified.

D. The Insured must report to the Group the existence and cost of the damage as soon as practicable after the listed peril first damaged the asbestos. However, this policy does not insure any such damage first reported to the Group more than 12 (twelve) months after the expiration, or termination of the period of insurance.

E. Insurance under this policy in respect of asbestos shall not include any sum relating to:

1. Any faults in the design, manufacture or installation of the asbestos; or

2. Asbestos not physically damaged by the listed peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

In addition, this policy does not apply to payment for the investigation or defense of any loss, or damage or any cost, loss of use expense, fine or penalty or for any expense or claim or suite related to any of the above.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 1-PROPERTY
LOSS OF RENTS

A. If the necessary suspension of your operations produces a Rental Value loss payable under this policy, we will pay for the actual loss of Rental Value you incur during the period that:

1. Begins on the date the property is actually repaired, rebuilt or replaced and tenantability is restored, and

2. Ends on the date you could restore tenant occupancy with reasonable speed to the level which would generate Rental Value that would have existed if no direct physical loss or damage had occurred; said period, in case of disagreement, to be determined by appraisement in the manner provided conditions of this policy.

Rental Value, (not including noncontinuing charges and expenses) of:

1. The fair rental value of any portion of the property occupied by the Insured;

2. The rental income from the rented portions of such property, according to bona fide leases, contracts or agreements in force at the time of loss;

3. Expenses necessarily incurred in reducing loss under this policy for an amount not exceeding that by which the loss is reduced.

When the property described is rendered wholly or partially untentantable as a result of physical damage caused directly by the perils insured against hereunder.

B. In adjustment of any loss hereunder, due consideration shall be given to rental conditions before the loss and what reasonably could have been expected had no loss occurred.

C. The amount of loss (if any) shall not be limited by the date of expiration named in this policy, but in no event shall the Group be liable for more than the amount specified in the Declarations of this policy.

D. This policy covers loss as herein defined:

1. Resulting from order of civil authority prohibiting access to the premises described herein, during the period of time, not exceeding two weeks, while access to the said premises is prohibited, but only when such order is given as a direct result of damage or destruction by a peril insured against, in the said premises or within 500 feet thereof, provided such peril did not originate from any perils herein specifically excluded;

2. In the event that water, used for power, manufacturing or domestic purposes, stored behind dams of in reservoirs situated on the property described herein, is released from storage as the result of damage to such dam, reservoir or equipment connected therewith by any of the perils herein insurance against, but the liability of the Group for such loss because of the resulting inadequate water supply shall not extend for more than thirty (30) consecutive days after the damaged or destroyed dam, reservoir or equipment has been repaired or replaced.

3. In the event of loss or damage by a peril insured against to property under construction and insured by this policy, the measurement of the resulting actual loss sustained shall be in accordance with the following:

a. Computed for a period of time equivalent to the time in which, with due diligence and dispatch, the property could be repaired or replaced. This equivalent period of time shall be applied to the experience of the business after the business has reached planned level or production or level of business operations. Neither period of time mentioned above is limited by the day of expiration named in this policy.

b. In determining the indemnity payable under this policy, due consideration shall be given to the available experience of the business complied after completion of the construction.

E. This policy also covers loss as herein defined resulting from physical damage caused by any peril insured against to:

1. Foundation of buildings, machinery and structures, whether or not underground, all of premises containing the property described herein;

2. New Buildings and other structures and additions now in progress of erection or hereafter erected on the described premises including contents thereof and

alterations and repairs to buildings and structures herein insured, also (a) materials and supplies therefore, and (b) equipment, machinery and apparatus for the service thereof, all when on such premises or within 500 feet thereof;

3. Property appurtenant to the business of the Insured (not otherwise insured or not excluded by this policy) outside of buildings and railroad cars when on the described premises or when within 500 feet thereof;

F. The Group shall not be liable for:

1. Compensation on account of inability, due to any ordinance or law regulating the repair or construction of buildings, to repair or construct a property of like character, or on account of delay which may be occasioned thereby, or by the suspension, lapse or cancellation of any license, or by strike or strikes, or for any compensation of any other consequential loss;

2. Loss of Rental Income with respect to any period during which the insured property would not have been tenantable had not fire or other peril insured against occurred.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 1– PROPERTY COVERAGE
EXTRA EXPENSE EXTENSION

A. INSURING AGREEMENT

This policy is hereby extended to cover the actual loss of Extra Expense subject to the limit of liability specified in the declarations sustained by the Insured, as a result of direct physical loss or damage as specified in the Coverage Form to which this endorsement is attached and not excluded therein, subject to all of its terms, conditions, and stipulations, to that property utilized by the Insured and situated as described elsewhere in this policy.

B. DEFINITIONS

The following terms where used in this policy shall be defined as follows:

1. Extra Expense: Extra Expense means necessary expenses you incur during the Period of Restoration that you would not have incurred if there had been no direct physical loss or damage.

   We will pay Extra Expense (other than the expense to repair or replace property) to:

   a. Avoid or minimize the suspension of business and to continue Operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

   b. Minimize the suspension of business if you cannot continue Operations.

   We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

2. Month: Thirty consecutive days;

3. Operations: Operations means:

   a. Your business activities occurring at the described premises; and

   b. The tenantability of the described premises, if coverage for business income including rental value or rental value applies.

4. Week: Seven consecutive days;

5. Period of Restoration: Period of Restoration for Extra Expense coverage means the period of time that begins immediately after the time of direct physical loss or damage to Covered Property at the described premises, and ends on the earlier of the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed or similar quality; or the date when business is resumed at a new permanent location.

C. USE OF OTHER PROPERTY:

The Insured agrees to use any suitable property or service owned or controlled by the Insured or obtainable from other sources in reducing the loss under this Policy. Any salvage value of such property remaining after resumption of normal operations, however, shall be taken into consideration in the adjustment of any loss.

D. ADDITIONAL CONDITIONS:

1. This policy covers loss as herein defined:
   a. Computed from the time of the damaged caused by a peril insured and not excluded to the time when with due diligence and dispatch the property could be repaired or replaced and made ready for normal operations, not limited by the day of expiration named in this Policy.

   b. From actual curtailment of production or suspension of business operation resulting from order of civil authority prohibiting access to the premises

described herein, during the period of time, not exceeding two weeks, while access to said premises is prohibited, but only when such order is given as a direct result of damage or destruction by a peril insured against and not excluded in the said premises or in the immediate vicinity thereof, provided such peril did not originate from any of the perils herein specifically excluded.

2. We will also pay for the necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any covered cause of loss to:

a. New buildings or structures, whether complete or under construction,

b. Alterations or additions to existing buildings or structures, and

c. Machinery, equipment, supplies or building materials located on or within 500 feet of the described premises and

(1) Used in the construction, alterations or additions, or

(2) Incidental to the occupancy of new buildings.

3. The Group shall not be liable for:

Any increase of loss due to suspension, cancellation or lapse of any lease, contract, license or order not for any loss due to fines or damages for breach of contract or for late or non-completion of orders or for penalties of whatever nature nor shall the Group be liable for any other consequential or remote loss.

E. ADDITIONAL COVERAGE

1. Civil Authority

In this Additional Coverage-Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a covered loss causes damage to property other than property at the described premises, we will pay for the necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

a. Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

b. The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the covered loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end four consecutive weeks after the date of that action.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 1 – PROPERTY COVERAGE
DEMOLITION AND INCREASED COST OF CONSTRUCTION

In consideration of the premium paid and subject to the stipulation, limitation and conditions herein and in the Policy to which this endorsement is attached, in case of loss under this Policy the coverage it affords includes as sublimits:

1. Loss occasioned by the enforcement of any building code(s), education code(s) or ordinance(s) regulating the construction, repair or use of buildings or structures and in force at the time such loss occurs, which requires the demolition of any portion of the insured buildings or structures which has not suffered damage from the same loss occurrence under this Policy.

2. The cost incurred in actually rebuilding both the damaged and demolished portions of the above listed buildings or structures with material and in a manner to fully satisfy such building or education code(s) or ordinance(s).

The total liability under this endorsement shall not exceed the actual expenditure incurred in demolishing the undamaged portion of the building(s) involved plus the lesser of the following:

1. The actual expenditure incurred, not including the cost of the land, in rebuilding on another site, or

2. The cost of rebuilding on the same site;

The Group shall not be liable for:

1. Any cost of demolition or increased cost of construction of the above described property necessitated by any code or ordinance regulating any form of pollution;

The sublimit of liability stated in the Declarations for this coverage is the most that the Group will be liable for in any one occurrence regardless of the number of buildings insured.

The sublimit shown on the Declarations are in addition to the limit of insurance provided in this policy.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 1-PROPERTY COVERAGE
LOSS OF BUSINESS INCOME

This policy shall pay up to the limit shown in the Declarations for the actual loss of Business Income sustained due to the necessary suspension of your operations during the "period of restoration". The suspension must be caused by a covered cause of direct physical loss of or damage to property at a premises owned or operated by the insured.

Business Income means:
a. Net Income (net profit or loss before income taxes) that would have been earned or incurred, including but not limited to income from:
(1) Tuitions;
(2) Laboratory fees;
(3) Bookstores;
(4) Athletic events:
(5) Grants; and
b. Continuing normal operating expenses incurred, including payroll.

The Group shall pay any necessary expenses you incur, except the cost of extinguishing a fire, to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss otherwise payable under this endorsement.

The Group will not pay for any increase of loss caused by or resulting from suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of operations due to a covered cause of direct physical loss, we will cover such loss that affects your Business Income during the "period of restoration".

As used in this endorsement, the "period of restoration" means the period of time that:

(a) Begins with the date of direct physical loss or damage caused by or resulting from any covered loss at the described premises; and

(b) Ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

(a) Regulates the construction, use or repair, or requires the tearing down of any property: or
(b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Extended Period of Loss:

The Group will pay for the actual loss of Business Income you sustain from a covered cause of direct physical loss for an additional six consecutive months, if final repairs to or replacement of the damaged property occurs within 30 days of the start of the next succeeding school term.

Additional Coverage

a. Civil Authority

In this Additional Coverage-Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a covered cause of loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

(1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

(2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the covered cause of loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 1 – PROPERTY-GYM FLOOR COVERAGE

The following is added to Article 1, Property Coverage Section:

The NJSIG may, at its sole discretion, provide a one time payment for up to a maximum of $20,000 for the replacement/repair of a gymnasium floor that is damaged from a loss that is not covered under the district's property policy. Said payment shall only be provided one time over a 50 year period and is limited only to the gymnasium floor which needs to be repaired or replaced. The NJSIG will not be responsible for any other damages either directly or indirectly that may result from a non-covered loss. In order for the district to make a request under this endorsement, it must report the loss promptly in accordance with the policy and allow the NJSIG to inspect the cause of loss and make the determination as to how the gymnasium floor was damaged. This discretionary benefit is limited to one time only, and cannot be used more then once regardless of the number of locations or losses that may fall within this coverage.

NEW JERSEY SCHOOLS INSURANCE GROUP
ARTICLE 1 – Electronic Data Endorsement

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the policy or any endorsement thereto, it is understood and agreed as follows:

a. This policy does not insure loss, damage, destruction, distortion, erasure, corruption, or alteration of "Electronic Data" from any cause whatsoever (including but not limited to "Computer Virus")or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

"Electronic Data" means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

"Computer Virus" means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. "Computer Virus" includes but is not limited to 'Trojan Horses', worms, and 'time or logic bombs".

b. However, in the event that a peril listed below results from any of the matters described in paragraph 1, above, this policy, subject to all its terms, conditions and exclusions will cover physical damage occurring during the policy period to property insured by this policy directly caused by such listed peril.

Listed Perils:

Fire

Explosion

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this policy suffer physical loss or damage insured by this policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the "Electronic Data" from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such "Electronic Data". If the media is not repaired, replaced or restored, the basis of valuation shall be the cost of the blank media. However, this policy does not insure any amount pertaining to the value of such "Electronic Data" to the Insured or any other party, even if such 'Electronic Data" cannot be recreated, gathered or assembled.