

Insurance Dec Page
The Village at Pelton Farms Condominium

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Address: 5 Pelton Way Unit 10
Order Date: 02-09-2026
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THE ANDOVER COMPANIES

95 OLD RIVER ROAD, ANDOVER MASSACHUSETTS 01810-1078

OCT 07 2025

66850010 NO RP 01 20251001 NYNNNNNN 0000333

VILLAGE AT PELTON FARM CONDO
C/O BRIGS, LLC-TERESA BARERRA
185 DUDLEY ST
BOSTON, MA 02119-2571





MUTUAL COMPANY
NONASSESSABLE POLICY

Cambridge Mutual Fire Insurance Company has prepared a
Business Owners policy expressly for:
VILLAGE AT PELTON FARM CONDO
POLICY HAS MULTIPLE LOCATIONS

And issued on behalf of:

VILLAGE AT PELTON FARM CONDO
C/O BRIGS, LLC-TERESA BARERRA
185 DUDLEY ST
BOSTON MA 02119-2571

MTM INSURANCE ASSOCIATES LLC
1320 OSGOOD STREET
NORTH ANDOVER MA 01845-1011



THE
ANDOVER
COMPANIES.

MERRIMACK MUTUAL
FIRE INSURANCE COMPANY
FOUNDED 1828

CAMBRIDGE MUTUAL
FIRE INSURANCE COMPANY
FOUNDED 1833

BAY STATE
INSURANCE COMPANY
FOUNDED 1955

**ACCESS YOUR POLICY
DETAILS ONLINE**

***my*ANDOVER.com**

andovercompanies.com | 95 Old River Rd, Andover, MA 01810

MUTUALS MEMBERSHIP AND VOTING NOTICE: The named insured(s) are notified that by virtue of this policy, they are a member of the Cambridge Mutual Fire Insurance Company of Andover, Massachusetts, and are entitled to vote either in person or by proxy at any and all meetings of said Company. The Annual Meetings are held in its Home Office, on the 2nd Monday of May, in each year, at 3:00 P.M.

MUTUALS PARTICIPATION CLAUSE WITHOUT CONTINGENT LIABILITY: No Contingent Liability: This policy is nonassessable. The policyholder is a member of the company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distribution of dividends so fixed and determined.

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.



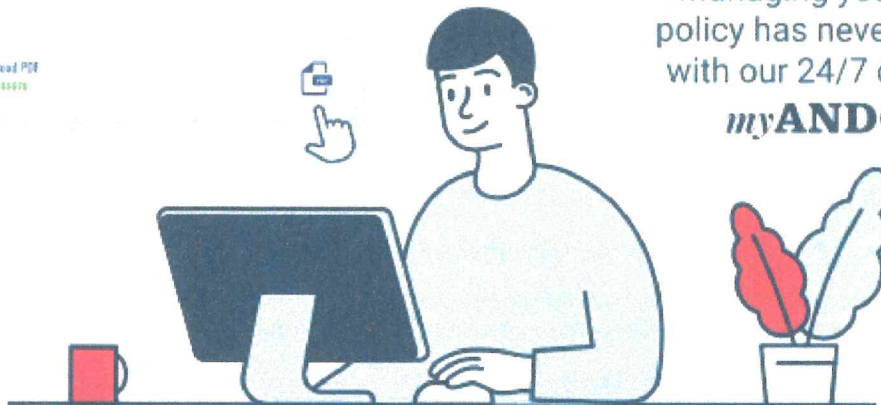
Vice President, Secretary, and General Counsel



President & Chief Executive Officer

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- **Find** your policy documents
- **Review** your specific policy coverages
- **Print** a copy for your records



VIRTUAL PAYMENT CENTER

- **View** your bills and payment history
- **Pay** your balance
- **Manage** payment methods and personal information



VIRTUAL CLAIMS CENTER

- **Report** a claim
- **Upload** supporting photos and files
- **Locate** essential contact information for emergency claims reporting

IMPORTANT INFORMATION REGARDING

PAYMENT PLANS

PAYMENT PLANS

The Andover Companies (Merrimack Mutual Fire Insurance Company, Cambridge Mutual Fire Insurance Company, and Bay State Insurance Company) offer a variety of installment payment plans for policyholders who pay their premiums directly rather than through a mortgage holder. This document explains the plans, the requirements and the restrictions that apply.

The payment plan options are:

- **Single Payment**—The total policy premium is due on the effective date of the policy.
- **Quarterly**—The policyholder is billed for one-fourth of the policy premium at 90-day intervals. These installments are invoiced 28 days prior to their due dates. A \$5 installment fee applies to each invoice subsequent to the first one.
- **9-Pay Plan**—The policyholder is billed for an initial payment of one-fifth of the policy premium and billed the remainder in eight equal installments at monthly intervals. This option is available for Businessowners Policies only. These installments are invoiced 21 days prior to their due dates. A \$5 installment fee applies to each invoice subsequent to the first one.
- **Monthly Autopay**—The policyholder elects to have their bank account automatically drafted each month for one-twelfth of the policy premium. Enrollment in this Autopay plan requires authorization and agreement to the terms and conditions provided on the enrollment form. An initial billing schedule will be sent 14 days prior to the due date of the initial withdrawal. No installment fees are applied.

If you select an installment plan and pay the premium in full prior to the policy's effective date, no installment fees will be assessed.

If you select an installment plan for a Personal Umbrella Liability Policy or Commercial Umbrella Policy in addition to your primary policy, no separate installment fees will be assessed for the Umbrella Policy.

PAYMENT PLANS ON RENEWAL

Where a policy is being renewed, it will generally be renewed with the same payment plan as the prior term unless a payment plan change has been processed prior to the issuance of the renewal policy. Please note, however, that failure to comply with the requirements of your installment plan, such as through late or rejected payments, may result in ineligibility for installment payments.

PAYMENTS BY MORTGAGEES

If your policy names a mortgage holder (mortgagee) as a loss payee, the mortgagee listed in the Declarations will receive information about your policy from The Andover Companies. If you have arranged for premium payments to be made by the mortgagee, you are responsible for forwarding all premium invoices to the mortgagee for payment.

Installment plan options are not available for premium payments by mortgagees, and payment of the premium in full will be due on the policy's effective date.

POLICY CHANGES

Please contact your agent regarding any coverage change or information change you wish to request for your policy, including a change of address.

If you receive an invoice and believe that we have incorrectly classified your policy as policyholder-billed or mortgagee-billed, please contact your agent.

If a midterm endorsement is made to your policy that results in an increase to the premium, the increase will be spread to unbilled installments. If a midterm endorsement is made that decreases your premium, the decrease will be spread to both unbilled installments and to any installments that have been billed but not yet paid (for which a revised invoice will be issued). If no remaining installment balances are due, the balance for the change will be separately invoiced or refunded, as applicable.



IMPORTANT INFORMATION REGARDING PAYMENT PLANS

PAYMENTS

You may make payments by check, online, or over the phone.

If you choose to pay by check, please write your policy number on the check. Mail the check and the remittance stub in the envelope provided. Express mail deliveries are also accepted at: The Andover Companies, c/o Lighthouse Payment Services, Inc., 320 Libbey Industrial Parkway, Suite 500, Weymouth, MA 02189.

Credit-card and other electronic payments may be made online by visiting <https://www.andovercompanies.com/> Payment may be made by credit or debit card, or by arranging an Automated Clearing House (ACH) transfer from your bank account. Your payment must be at least the minimum "Amount Due" shown on your most recent invoice, but should be no more than the "Amount to Pay in Full."

If you choose to participate in our Monthly Autopay plan, you must submit a signed authorization form. The terms and conditions on the authorization form will apply if you are enrolled.

LATE OR REJECTED PAYMENTS

Your policy describes circumstances in which nonpayment of policy premiums may result in cancellation or nonrenewal of your coverage. In addition, failure to comply with the requirements of your payment plan may result in ineligibility for installment payments, and may be treated as nonpayment of premiums under the policy, resulting in cancellation or nonrenewal.

Late Payments

A payment that is not received within three days of the due date shown on your most recent invoice is considered a late payment. A fee of \$20.00 (subject to any state-specific limitations on such fees) may be assessed for each late payment. In the event of a late payment, The Andover Companies may issue a nonpayment cancellation notice. Failure to pay the amount due on or before the date stated in the cancellation notice will result in cancellation of your policy. A reinstatement fee of \$20.00 (subject to any state-specific limitations on such fees) may be assessed per instance.

Rejected Payments

If a check is dishonored or an electronic payment fails for reasons such as insufficient funds in your payment account, this will be considered a rejected payment that constitutes nonpayment of premium for purposes of the cancellation provisions of your policy. We will notify you should any payment be rejected. If the amount of the rejected payment had been applied to the policy, that application will be reversed and a cancellation notice may be issued for nonpayment of premium. If a cancellation notice is issued, the amount due must be paid on or before the date stated in the cancellation notice. In the case of a rejected Monthly Autopay payment, the amount due must be paid by an alternative method, such as a check or online payment via credit card.. Failure to pay the amount due by the date stated in the cancellation notice will result in cancellation of your policy. A returned payment fee of \$20.00 (subject to any state-specific limitations on such fees) may be assessed for each rejected payment.



THE
ANDOVER
 COMPANIES
 • 1828 •

VILLAGE AT PELTON FARM CONDO
 C/O BRIGS, LLC-TERESA BARERRA
 185 DUDLEY ST
 BOSTON MA 02119-2571

Policy Number: SBP37020388



POLICY BILLING SUMMARY
 AS OF 09/30/2025

Issuing Company:	Cambridge Mutual Fire Insurance Company
Total Policy Premium:	\$18,548.00
Payment Plan:	Automated Monthly
First Installment:	\$1,552.47
Due Date:	12/14/2025

THIS IS NOT AN INVOICE

AN INVOICE WILL BE MAILED SEPARATELY CLOSER TO THE DUE DATE ABOVE

CAMBRIDGE MUTUAL FIRE INSURANCE COMPANY
 PO BOX 986531
 BOSTON MA 02298-6531

Policy

Amount Enclosed \$





THE ANDOVER COMPANIES

Merrimack Mutual Fire Insurance Company Founded 1828 | Bay State Insurance Company Founded 1955
Cambridge Mutual Fire Insurance Company Founded 1833

Renewal Declaration

POLICY NUMBER	POLICY PERIOD	AGENT NO.	AGENT
SBP37020388	12/14/2025 to 12/14/2026 12:01 AM Standard Time	5168	Telephone: 978 681-5700
NAME AND ADDRESS			
VILLAGE AT PELTON FARM CONDO C/O BRIGS, LLC-TERESA BARERRA 185 DUDLEY ST BOSTON MA 02119-2571			MTM INSURANCE ASSOCIATES LLC 1320 OSGOOD STREET NORTH ANDOVER MA 01845-1011

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

Full Named Insured

Village At Pelton Farm Condo

Named Insured Entity Type

Other

Issuing Company

Cambridge Mutual Fire Insurance Company

Liability and Medical Payments

Except for Fire Legal Liability, each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to paragraph D.4. of the Businessowners Liability Coverage Form.

Coverage	Limit of Liability
General Aggregate (Except Products-Completed Operations)	\$4,000,000
Products-Completed Operations	\$2,000,000
Each Occurrence	\$2,000,000
Personal and Advertising Injury Occurrence	\$2,000,000
Medical Expenses (per person)	\$5,000

Property

Coverage at the below described locations is provided only where a limit of insurance is shown or a premium is stated. Business Income and Extra Expense included. Please refer to Property Coverage Form.

Location 1: 5 PELTON WAY BLDG 1 Hampton Falls NH 03844

Business of Named Insured to which this insurance applies: Habitational Condo Association
Coverage: Special, Inflation Guard = 8%, Construction: Frame, Territory: 1, Protection Class: 5, Year Built: 2006, Sprinklered, Building Rate: Condo Apartment, # Units = 3, Max # Units between firewalls = 3, Owner Occupancy Percentage = 100%, DUPC Credit, AGE Credit, Year of Roof Installation/Update: Unknown, Type of Roof Surfacing: Unknown
Standard Deductible: \$10,000





THE ANDOVER COMPANIES

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NAME AND ADDRESS			MTM INSURANCE ASSOCIATES LLC 1320 OSGOOD STREET NORTH ANDOVER MA 01845-1011
VILLAGE AT PELTON FARM CONDO C/O BRIGS, LLC-TERESA BARERRA 185 DUDLEY ST BOSTON MA 02119-2571			

Coverage	Limit of Insurance	Premium
Building Coverage	\$1,937,500	\$3,370.00
Business Income and Extra Expense	12 months Actual Loss Sustained	Included

Location 1 - Additional Coverages:

Locations with Building Coverage receive Exterior Building Glass Coverage (\$500 deductible applies)

Additional Coverage	Limit of Insurance	Premium
Accounts Receivable	\$5,000	Included
Businessowners Extension Endorsement		Included
Condominium Association Clarifying Endorsement - Form 5017		Included
Tenants Fire Legal Liability	\$50,000	Included
Valuable Papers	\$5,000	Included
Location 1 - Total Additional Coverages Premium		\$0.00

Total Premium for Location 1.....\$3,370.00

Location 2: 5 PELTON WAY BLDG 2 Hampton Falls NH 03844

Business of Named Insured to which this insurance applies: Habitational Condo Association
 Coverage: Special, Inflation Guard = 8%, Construction: Frame, Territory: 1, Protection Class: 5, Year
 Built: 2006, Sprinklered, Building Rate: Condo Apartment, # Units = 3, Max # Units between firewalls
 = 3, Owner Occupancy Percentage = 100%, DUPC Credit, AGE Credit, Year of Roof Installation/
 Update: Unknown, Type of Roof Surfacing: Unknown
 Standard Deductible: \$10,000

Coverage	Limit of Insurance	Premium
Building Coverage	\$1,937,500	\$3,370.00
Business Income and Extra Expense	12 months Actual Loss Sustained	Included





THE ANDOVER COMPANIES

Merrimack Mutual Fire Insurance Company Founded 1828 | Bay State Insurance Company Founded 1955
 Cambridge Mutual Fire Insurance Company Founded 1833

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VILLAGE AT PELTON FARM CONDO C/O BRIGGS, LLC-TERESA BARERRA 185 DUDLEY ST BOSTON MA 02119-2571			



Location 2 - Additional Coverages:

Locations with Building Coverage receive Exterior Building Glass Coverage (\$500 deductible applies)

Additional Coverage	Limit of Insurance	Premium
Accounts Receivable	\$5,000	Included
Businessowners Extension Endorsement		Included
Condominium Association Clarifying Endorsement - Form 5017		Included
Tenants Fire Legal Liability	\$50,000	Included
Valuable Papers	\$5,000	Included
Location 2 - Total Additional Coverages Premium		\$0.00

Total Premium for Location 2.....\$3,370.00

Location 3: 5 PELTON WAY BLDG 3 Hampton Falls NH 03844

Business of Named Insured to which this insurance applies: Habitational Condo Association
 Coverage: Special, Inflation Guard = 8%, Construction: Frame, Territory: 1, Protection Class: 5, Year
 Built: 2006, Sprinklered, Building Rate: Condo Apartment, # Units = 4, Max # Units between firewalls
 = 3, Owner Occupancy Percentage = 100%, DUPC Credit, AGE Credit, Year of Roof Installation/
 Update: Unknown, Type of Roof Surfacing: Unknown
 Standard Deductible: \$10,000

Coverage	Limit of Insurance	Premium
Building Coverage	\$2,507,000	\$4,360.00
Business Income and Extra Expense	12 months Actual Loss Sustained	Included

Location 3 - Additional Coverages:

Locations with Building Coverage receive Exterior Building Glass Coverage (\$500 deductible applies)

Additional Coverage	Limit of Insurance	Premium
Accounts Receivable	\$5,000	Included
Businessowners Extension Endorsement		Included
Condominium Association Clarifying Endorsement - Form 5017		Included
Tenants Fire Legal Liability	\$50,000	Included
Valuable Papers	\$5,000	Included
Location 3 - Total Additional Coverages Premium		\$0.00





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NAME AND ADDRESS			MTM INSURANCE ASSOCIATES LLC 1320 OSGOOD STREET NORTH ANDOVER MA 01845-1011
VILLAGE AT PELTON FARM CONDO C/O BRIGS, LLC-TERESA BARERRA 185 DUDLEY ST BOSTON MA 02119-2571			

Total Premium for Location 3.....\$4,360.00

Location 4: 5 PELTON WAY BLDG 4 Hampton Falls NH 03844

Business of Named Insured to which this insurance applies: Habitational Condo Association
 Coverage: Special, Inflation Guard = 8%, Construction: Frame, Territory: 1, Protection Class: 5, Year
 Built: 2006, Sprinklered, Building Rate: Condo Apartment, # Units = 3, Max # Units between firewalls
 = 3, Owner Occupancy Percentage = 100%, DUPC Credit, AGE Credit, Year of Roof Installation/
 Update: Unknown, Type of Roof Surfacing: Unknown
 Standard Deductible: \$10,000

Coverage	Limit of Insurance	Premium
Building Coverage	\$1,937,500	\$3,370.00
Business Income and Extra Expense	12 months Actual Loss Sustained	Included

Location 4 - Additional Coverages:

Locations with Building Coverage receive Exterior Building Glass Coverage (\$500 deductible applies)

Additional Coverage	Limit of Insurance	Premium
Accounts Receivable	\$5,000	Included
Businessowners Extension Endorsement		Included
Condominium Association Clarifying Endorsement - Form 5017		Included
Tenants Fire Legal Liability	\$50,000	Included
Valuable Papers	\$5,000	Included
Location 4 - Total Additional Coverages Premium		\$0.00

Total Premium for Location 4.....\$3,370.00

Location 5: 5 PELTON WAY BLDG 5 Hampton Falls NH 03844

Business of Named Insured to which this insurance applies: Habitational Condo Association
 Coverage: Special, Inflation Guard = 8%, Construction: Frame, Territory: 1, Protection Class: 5, Year
 Built: 2006, Sprinklered, Building Rate: Condo Apartment, # Units = 3, Max # Units between firewalls
 = 3, Owner Occupancy Percentage = 100%, DUPC Credit, AGE Credit, Year of Roof Installation/
 Update: Unknown, Type of Roof Surfacing: Unknown
 Standard Deductible: \$10,000





THE ANDOVER COMPANIES

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VILLAGE AT PELTON FARM CONDO C/O BRIGS, LLC-TERESA BARERRA 185 DUDLEY ST BOSTON MA 02119-2571			

Coverage	Limit of Insurance	Premium
Building Coverage	\$1,937,500	\$3,370.00
Business Income and Extra Expense	12 months Actual Loss Sustained	Included

Location 5 - Additional Coverages:

Locations with Building Coverage receive Exterior Building Glass Coverage (\$500 deductible applies)

Additional Coverage	Limit of Insurance	Premium
Accounts Receivable	\$5,000	Included
Businessowners Extension Endorsement		Included
Condominium Association Clarifying Endorsement - Form 5017		Included
Tenants Fire Legal Liability	\$50,000	Included
Valuable Papers	\$5,000	Included
Location 5 - Total Additional Coverages Premium		\$0.00

Total Premium for Location 5.....\$3,370.00

Policy Level Additional Coverages:

Additional Coverage	Limit of Insurance	Premium
Directors and Officers Liability - Form 4076		\$320.00
Per Wrongful Act	\$2,000,000	
Aggregate	\$2,000,000	
Equipment Breakdown - 6001		Included
Limited Fungi or Bacteria Coverage (Liability) - Form 970578	\$15,000	Included
Limited Fungi or Bacteria Coverage (Property) - Form 970576	\$15,000	Included
Hired Auto - BP0404	\$2,000,000	\$23.00
Nonowned Auto - BP0404	\$2,000,000	\$46.00
Superior Enhancement - Complexes - 5068		\$319.00
Terrorism Risk Insurance Act		Waived
Policy Level Additional Coverages Premium		\$708.00





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Forms and Endorsements

Form Number	Form Title
BP0002 12/99	Businessowners Special Property Coverage Form
BP0006 01/97	Businessowners Liability Coverage
BP0009 01/97	Businessowners Common Policy Conditions
5038 03/98	Businessowners Extension Endorsement
4076 08/91	Directors and Officers Liability
5068 02/20	Superior Enhancement Complexes
5041 04/03	Extension Enhancement Deductible Clarification
5021 06/92	Clarifying Endorsement Businessowners Liability
BP0404 01/96	Hired Auto and Non Owned Auto Liability
BP0515 12/20	Disclosure Pursuant to Terrorism Risk Insurance Act
BP0564 01/15	Conditional Exclusion of Terrorism Relating to Disposition of Terrorism Risk Ins. Act
BP0523 01/15	Cap on Losses from Certified Acts of Terrorism
BP1701 01/96	Condominium Additional Provisions
970113 03/22	New Hampshire Changes
970576 06/03	Limited Fungi or Bacteria Coverage Property
970578 06/03	Limited Fungi or Bacteria Coverage Liability
970601 01/07	Exclusion of Loss Due to Virus or Bacteria
971486 07/20	Communicable Disease Exclusion
BP0417 01/96	Employment Related Practices Exclusion
BP0439 01/96	Abuse or Molestation Exclusion
5017 01/97	Clarifying Condominium Coverage Endorsement
6001NH 06/25	Equipment Breakdown Endorsement
970159 09/10	Water Exclusion Endorsement
BP1224 10/10	New Hampshire Effective Time Changes
BP0122 03/11	New Hampshire Businessowners Standard Fire Policy Provisions
BP0514 01/03	War Liability Exclusion





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Form Number	Form Title
BP0412 01/87	Limitation of Coverage to Designated Premises or Project 5 PELTON WAY BLDG 1, Hampton Falls, NH, 03844 5 PELTON WAY BLDG 2, Hampton Falls, NH, 03844 5 PELTON WAY BLDG 3, Hampton Falls, NH, 03844 5 PELTON WAY BLDG 4, Hampton Falls, NH, 03844 5 PELTON WAY BLDG 5, Hampton Falls, NH, 03844
BP0430 01/96	Protective Safeguards
5011 06/91	Employee Redefined
6038 06/24	Actual Cash Value Definition

Premium

Total Premium for Location 1	\$3,370.00
Total Premium for Location 2	\$3,370.00
Total Premium for Location 3	\$4,360.00
Total Premium for Location 4	\$3,370.00
Total Premium for Location 5	\$3,370.00
Total Policy Level Additional Coverages Premium.....	\$708.00
Total Annual Premium (all locations)	\$18,548.00

Important Notices

7003 06/15	Notice to Policyholders Notice of Terrorism Insurance Coverage
ILP001 01/04	OFAC Advisory Notice to Policyholders
6046 04/25	Renewal Changes Notice to Policyholders
P-714 09/25	Payment Plan Information Notice

 Countersignature of Authorized Agent
 (where required)

10/01/2025
 Date



BUSINESSOWNERS
971486 0720

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph B. Exclusions in BP 00 06 Businessowners Liability Coverage Form:

Communicable Disease

This insurance does not apply to "bodily injury", "property damage", "personal injury", or "advertising injury" arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b. Testing for a communicable disease;
- c. Failure to prevent the spread of the disease; or
- d. Failure to report the disease to authorities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE
(Including Electronic Circuitry Impairment)

This endorsement modifies the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
 BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM

A. The following is added to Paragraph A.3. Covered Causes of Loss:

Additional Coverage – Equipment Breakdown

Additional Coverage Equipment Breakdown as described and limited below is included in the term Covered Cause of Loss. Without an "accident" or "electronic circuitry impairment", there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident" or "electronic circuitry impairment". We will consider "electronic circuitry impairment" to be physical damage to "covered equipment".
2. The following coverages also apply to the direct result of an "accident" or "electronic circuitry impairment". These coverages do not provide additional amounts of insurance.
 - a. Business Income and Extra Expense
 - (1) Any insurance provided under the policy to which this Equipment Breakdown Coverage endorsement is attached for Business Income or Extra Expense is extended to the coverage provided by this endorsement.
 - (2) The most we will pay under this Business Income and Extra Expense coverage is the applicable limit for Business Income and Extra Expense.
 - b. Data Restoration
 - (1) We will pay for your reasonable and necessary cost to research, replace and restore lost "data".
 - (2) The most we will pay under this Data Restoration coverage is \$50,000. This amount includes the actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered.
 - c. Expediting Expenses
 - (1) With respect to your damaged Covered Property, we will pay the reasonable and necessary extra cost to:
 - (a) Make temporary repairs; and
 - (b) Expedite permanent repairs or replacement.
 - (2) The most we will pay under this Expediting Expenses coverage is \$50,000.
 - d. Future Loss Avoidance
 - (1) This coverage only applies if you have received payment under this Equipment Breakdown Coverage for an "accident" or "electronic circuitry impairment" that occurred on the premises of a covered location.
 - (2) We will pay your costs to purchase and install Protective Equipment at the location of the loss as follows:
 - (a) Electrical surge protection or single phase Protective Equipment; or
 - (b) Other Protective Equipment if we agree that such equipment would reasonably reduce the likelihood of a future "accident" or "electronic circuitry impairment" similar to the one for which you have received payment from us. We will not unreasonably withhold such agreement.
 - (3) As used in this coverage, Protective Equipment means a permanently installed physical device with the principal function of safeguarding one or more pieces of "covered equipment" from physical damage.

- (4) We must receive your invoices for any purchase and installation costs no later than 180 days after the date you receive the payment for the loss from us.
- (5) With respect to any "one equipment breakdown", the most we will pay is the lesser of the following:
 - (a) 10% of our Eligible Payment to you prior to any payment under this Future Loss Avoidance coverage; or
 - (b) \$10,000.
- (6) As used in this coverage, Eligible Payment means our total payment to you not including the following:
 - (a) Any deductible or coinsurance amount; or
 - (b) Any payment made after this policy has been cancelled or non-renewed.

e. Green

- (1) With respect to Covered Property, we will pay your additional cost to:
 - (a) Repair damaged property using equipment, materials and service firms required or recommended by a "recognized environmental standards program", if repair is the least expensive option;
 - (b) Replace damaged property using equipment, materials and service firms required or recommended by a "recognized environmental standards program", if replacement is the least expensive option;
 - (c) Dispose of damaged property or equipment, if practicable, through a recycling process; and
 - (d) Flush out reconstructed space with up to 100% outside air using new filtration media.
- (2) With respect to any building that is Covered Property and was, at the time of the "accident" or "electronic circuitry impairment" certified by a "recognized environmental standards program", we will pay your additional cost:
 - (a) To prevent a lapse of such certification;
 - (b) To reinstate the certification or replace it with an equivalent certification;
 - (c) For an engineer authorized by a "recognized environmental standards program" to oversee the repair or replacement of the damaged Covered Property; and
 - (d) For a Professional Engineer to commission or recommission your damaged mechanical, electrical or electronic building systems.
- (3) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage in the absence of this Green coverage.
- (4) This Green coverage is subject to the following provisions:
 - (a) This coverage applies in addition to any coverage that may apply under the Environmental, Safety and Efficiency Improvements condition of this endorsement or any other applicable coverage.
 - (b) This coverage only applies to Covered Property that must be repaired or replaced as a direct result of an "accident" or "electronic circuitry impairment".
 - (c) This coverage does not apply to any Covered Property to which "actual cash value" applies.
- (5) The most we will pay under this Green coverage is \$25,000. This amount includes the actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered.

f. Hazardous Substances

- (1) We will pay your 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. 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.
- (2) This coverage does not apply to testing, clean up or disposal of land, water or any other property that is not Covered Property.
- (3) This does not include contamination of "perishable goods" by refrigerant, including, but not limited to, ammonia, which is addressed in Spoilage and Consequential Damage coverage, 2.n.(2) below.
- (4) The most we will pay under this Hazardous Substances coverage is \$50,000. This amount includes the actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered.

g. Mobile Robots

- (1) We will pay for physical damage to Covered Property from an "accident" or "electronic circuitry impairment" when the "covered equipment" is a "mobile robot".
- (2) The most we will pay under this Mobile Robots coverage is \$50,000. This amount includes Spoilage and Consequential Damage, Data Restoration, and the actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered.

h. Mold

- (1) We will pay for the additional cost to repair or replace Covered Property because of contamination by mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast, resulting from an "accident" or "electronic circuitry impairment". This includes the additional costs to clean up or dispose of such property. This does not include "spoilage and consequential damage" of personal property that is "perishable goods" to the extent that such "spoilage and consequential damage" is covered under Spoilage and Consequential Damage coverage.
- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no mold, fungus, mildew, yeast, spores or toxins been involved.
- (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is a reason to believe there is the presence of mold, fungus, mildew, yeast, spores or toxins.
- (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) As described in C.1. below, the most we will pay under this Mold coverage is \$25,000. This amount includes the actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered.

i. Off Premises Equipment Breakdown

- (1) We will pay for physical damage to portable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is not at a covered location.
- (2) We will also pay for your reasonable and necessary cost to research, replace and restore lost "data" contained within portable "covered equipment" as described in (1) above. This amount may not exceed the limit applicable to Data Restoration coverage.
- (3) With respect to this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur anywhere in the world except within any country on which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
- (4) The most we will pay under this Off Premises Equipment Breakdown coverage is \$25,000. Our payment under this coverage includes:
 - (a) The actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered; and
 - (b) Data Restoration as described in (2) above.

j. Public Relations

- (1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.
- (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
 - (a) The media;
 - (b) The public; or
 - (c) Your customers, clients or members.
- (3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.
- (4) The most we will pay under this Public Relations coverage is \$25,000.

k. Resultant Damage to Animals

- (1) Any insurance provided under the policy to which this Equipment Breakdown Coverage endorsement is attached for "animals" is extended to the coverage provided by this endorsement.

- (2) The most we will pay under this Resultant Damage to Animals coverage is \$25,000. This amount includes the actual loss of Business Income and necessary Extra Expense you incur, if shown as covered.

I. Resultant Loss from a Cyber Event

Coverage are extended to an "accident" or "electronic circuitry impairment" caused by or resulting from a "cyber event" that causes direct physical damage to "covered equipment" at a covered location.

m. Service Interruption

- (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage and Consequential Damage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an "accident" or "electronic circuitry impairment" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, "cloud or outsourced computing services", wide area networks, data transmission, elevator services or Equipment as a Service. The equipment must meet the definition of "covered equipment" except that it is not Covered Property. As used in this coverage, Equipment as a Service means any service that you pay for on a usage basis when the service is provided to you by equipment that is located on your premises that is neither owned, leased or operated by you.
- (2) "Cloud or outsourced computing services" must be provided by a professional provider with whom you have a contract. With respect to this Service Interruption coverage only, the "accident" or "electronic circuitry impairment" to the equipment of a provider of "cloud or outsourced computing services" may occur anywhere in the world except within any country on which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
- (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to "data" stored in the equipment of a provider of "cloud or outsourced computing services".
- (4) Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident" or "electronic circuitry impairment". If the interruption exceeds 24 hours, coverage will begin at the time of the interruption and the applicable deductible will apply.
- (5) The most we will pay in any "one equipment breakdown" under this Service Interruption coverage is the applicable limit for Business Income, Extra Expense, Data Restoration or Spoilage and Consequential Damage.

n. Spoilage and Consequential Damage

- (1) We will pay for physical damage to "perishable goods" due to "spoilage and consequential damage".
- (2) We will also pay for physical damage to "perishable goods" due to contamination from the release of refrigerant, including, but not limited to, ammonia.
- (3) We will also pay any necessary expenses you incur to reduce the amount of loss under this Spoilage and Consequential Damage coverage. However, we will not pay more than the amount that would otherwise have been payable under this Spoilage and Consequential Damage coverage.
- (4) The most we will pay under this Spoilage and Consequential Damage coverage is \$50,000.

B. The following is added to Paragraph B. Exclusions

All exclusions in the Businessowners Special Property Coverage Form and Businessowners Standard Property apply except as modified below and to the extent that coverage is specifically provided by this endorsement. Exclusions listed in this endorsement apply regardless of cause.

If any cyber incident exclusion is made a part of this policy, such exclusion will not apply to the extent coverage is provided in A.2.I. Resultant Loss from a Cyber Event.

1. With respect to coverage under this endorsement, the following exclusions are modified:

- a. The last paragraph of Exclusion B.2.k. in the Businessowners Special Property Coverage Form is deleted and replaced with the following:

However, if an excluded loss or damage, as described in B.2.k(1) through B.2.k.(7) results in an "accident" or "electronic circuitry impairment", we will pay for the resulting loss, damage or expense caused by that

“accident” or “electronic circuitry impairment”.

2. With respect to coverage under this endorsement, the following exclusions are added:

a. We will not pay for loss, damage or expense caused by any of the following causes of loss, whether directly or indirectly. This exclusion applies even if the excluded cause of loss was the result of an “accident” or “electronic circuitry impairment”:

- (1) Fire, including smoke from a fire.
- (2) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere.
- (3) Any other explosion, except as specifically covered under this endorsement.
- (4) Any earth movement. This includes, but is not limited to, earthquake, earth sinking, landslide, sinkhole collapse, subsidence, tsunami or volcanic action.
- (5) Flood; mudslide or mudflow; overflow of any body of water; storm surge; tidal waves; tides; surface water; water that discharges, overflows or backs up from a drain, sump or sewer; waves; or spray associated with any of the foregoing; all whether or not caused by or involving wind.

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 Limit of Insurance and deductible for Building or Business Personal Property, whichever applies. 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 direct or indirect loss, damage, or expense.

- (6) Vandalism, meaning a malicious act that causes damage or destruction. However, this exclusion does not apply to a “cyber event” to the extent coverage is provided in A.2.i. (Resultant Loss from a Cyber Event coverage).
 - (7) Any “cyber event”, except as specifically provided in A.2.i. (Resultant Loss from a Cyber Event coverage).
 - (8) Your failure to use all reasonable means to protect Covered Property from damage following an “accident” or “electronic circuitry impairment”.
 - (9) Freeze caused by cold weather, except as specifically provided under A.2.n. Spoilage and Consequential Damage coverage.
 - (10) Discharge of molten material from equipment, including the heat from such discharged material.
- b. We will not pay for loss, damage or expense caused directly or indirectly by any condition or event listed in (1) through (5) below, without regard to whether such condition or event is normal and expected or unusual and unexpected. However, if a condition or event that is listed in (1) through (5) below results in an “accident” or “electronic circuitry impairment” and no other exclusion applies, we will pay only for the loss, damage or expense that is a direct result of and solely attributable to the “accident” or “electronic circuitry impairment”.
- (1) Any defect, error, or shortcoming in design or installation;
 - (2) Any undercapacity, underperformance, failure to perform as expected or failure to perform as designed;
 - (3) Any defect, programming error, programming limitation, 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”;
 - (5) Any condition, including, but not limited to, misalignment, miscalibration or tripping off-line which can be corrected by:
 - (a) Resetting, tightening, adjusting or cleaning;
 - (b) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
 - (c) Rebooting, reloading or updating software or firmware; or
 - (d) Providing necessary power or supply.
- c. We will not pay for an “accident” or “electronic circuitry impairment” caused by or resulting from any of the following causes of loss:
- (1) Lightning.



- (2) Windstorm or hail. However, this exclusion does not apply when:
 - (a) "Covered equipment" located within a structure or building suffers an "accident" or "electronic circuitry impairment" that results from wind-blown dust, rain, sand or snow; and
 - (b) The structure or building did not first sustain wind or hail damage to its roof or walls through which the dust, rain, sand or snow entered.
- (3) Collision or any physical contact caused by or involving a "vehicle" or "mobile robot".
- (4) Smoke, riot or civil commotion, sprinkler leakage or elevator collision.
- (5) Weight of snow, ice or sleet.
- (6) Collapse.
- (7) Falling objects. However, this exclusion does not apply to:
 - (a) Property located outside the walls of a structure or building; or
 - (b) Loss or damage to property located within a structure or building, unless a falling object first damages the roof or exterior wall of the structure or building.
- (8) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.
- (9) Any means, whether or not successful, intended to extinguish a fire. This includes, but is not limited to, the spraying of water.
- d. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:
 - (1) Loss caused by your failure to use due diligence and dispatch and any and all reasonable means to resume business; or
 - (2) Any increase in loss resulting from an agreement between you and your customer, supplier or contractor.
- e. Except as specifically provided under A.2.h. Mold coverage, we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment": Any 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 and consequential damage" of personal property that is "perishable goods", to the extent that such "spoilage and consequential damage" is covered under Spoilage and Consequential Damage coverage.
- f. Except as specifically provided under A.2.b. Data Restoration, or A.2.k. Resultant Damage to Animals, we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment":
 - (1) Physical loss or damage to "animals";
 - (2) Loss, interruption or compromise of any research, test or study involving "animals"; or
 - (3) Loss of income or extra expense resulting from (1) or (2) above.
- g. We will not pay for loss or damage to any of the following, whether or not caused by an "accident" or "electronic circuitry impairment":
 - (1) Catalysts or molecular sieves;
 - (2) Artifacts, fossils, relics, or any rare items of cultural, historical or scientific interest; or
 - (3) Biological samples or materials, including, but not limited to, organs, tissues or blood.
- h. We will not pay for "spoilage and consequential damage" to any "perishable goods" with respect to Off Premises Equipment Breakdown coverage.
- i. With respect to Off Premises Equipment Breakdown and Service Interruption coverage provided by this endorsement, and any Dependent Properties or Civil Authority coverages provided by the policy, we will not pay for any direct or indirect loss, damage or expense caused by or resulting from a "cyber event".
- j. Exclusions 2.c.(1) through (7) above do not apply if:
 - (1) The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
 - (2) Such surge or disturbance is transmitted through utility service transmission lines to the covered



location and results in an "accident" or "electronic circuitry impairment"; and

- (3) The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.

C. EQUIPMENT BREAKDOWN LIMITS

Any payment made under this Equipment Breakdown Coverage will not be increased if multiple insureds are shown in the Declarations or if you are comprised of more than one legal entity.

1. The most we will pay for loss, damage or expense arising from any "one equipment breakdown" is the applicable Limit of Insurance in the Declarations. Coverage provided under this endorsement does not provide an additional amount of insurance.
2. Loss arising from any "one equipment breakdown" may continue to be present or recur in a later policy period. This includes, but is not limited to, loss arising from mold, fungus, mildew or yeast as covered under Mold coverage. In such a case, the most we will pay for all loss, damage or expense arising out of any "one equipment breakdown" is the coverage limit at the time of the "accident" or "electronic circuitry impairment".
3. 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 that loss.

D. EQUIPMENT BREAKDOWN DEDUCTIBLE

Only as regards Equipment Breakdown Coverage, provision D. Deductibles is deleted and replaced with the following:

1. A \$500 deductible will apply to any "one equipment breakdown".
2. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.

E. EQUIPMENT BREAKDOWN CONDITIONS

1. The following conditions are in addition to the Conditions in the Businessowners Special Property Coverage Form and the Businessowners Standard Property Coverage Form.

a. Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

b. Suspension

Any of our representatives may immediately suspend the insurance against loss from an "accident" or "electronic circuitry impairment" to any "covered equipment" that is found to be in a dangerous condition or exposed to a dangerous condition. They may do this by mailing or delivering a written notice of suspension to:

- (1) Your address most recently known to us; or
- (2) The address where the applicable "covered equipment" is located.

The only way we may reinstate insurance is by issuing an endorsement for that "covered equipment".

We will refund the premium applicable to the suspended "covered equipment", prorated for the period of suspension. However, the suspension will be effective immediately even if we have not yet offered or made a refund.

2. With respect to this endorsement only, the Loss Payment Condition 6.d. in the Businessowners Special Property Coverage Form and the Businessowners Standard Property Coverage Form is deleted and replaced with the following:

d. We will determine the value of Covered Property as follows:

- (1) Except as specified otherwise, our payment for damaged Covered Property will be the least expensive of:
 - (a) The cost to repair the damaged property;
 - (b) The cost to replace the damaged property on the same site; or

- (c) The amount you actually spend that is necessary to replace or repair the damaged property.
- (2) 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. This will not include costs to research or correct defects, errors or shortcomings in the design or installation of the Covered Property.
- (3) Except as described in (4) 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.
- (4) Environmental, Safety and Efficiency Improvements
If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", 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. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This provision does not apply to any property to which "actual cash value" applies and does not increase any of the applicable limits.
- (5) Consequential Loss to Undamaged Stock
Our payment for damaged Covered Property will include compensation for undamaged stock that loses market value or requires additional expense because of the damage to the Covered Property.
- (6) The following property will be valued on an "actual cash value" basis:
- Any property that does not serve a useful or necessary function for you; and
 - Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment".
- (7) 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:
- The property was manufactured by you;
 - The sales price of the property is less than the replacement cost of the property; or
 - You are unable to replace the property before its anticipated sale.
- (8) Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:
- For mass-produced and commercially available software, at the replacement cost.
 - 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.

F. EQUIPMENT BREAKDOWN DEFINITIONS

The following definitions are added with respect to this endorsement only:

- "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:
 - Mechanical breakdown, including physical damage caused by centrifugal force. As used in this definition, Mechanical Breakdown means an occurrence involving one or more moving parts of machinery that causes such machinery to operate improperly or to cease operating.
 - Artificially generated electrical current, including electrical arcing, that damages electrical devices, appliances or wires.
 - Explosion, other than combustion explosion, of steam boilers, steam engines, steam piping or steam turbines.
 - Sudden physical damage not otherwise excluded occurring inside:
 - Steam boilers, steam engines, steam piping or steam turbines; or
 - Hot water boilers or other equipment used to heat water.
 - Bursting, cracking or splitting. However, this does not include any bursting, cracking or splitting associated with an explosion, unless such explosion is an "accident" as defined in c. above.
- "Actual cash value" means the replacement cost for parts, equipment or other property less Depreciation. However, the "actual cash value" will not be less than 25% of the actual replacement cost.

As used in this definition, Depreciation means the ratio of the age of the property at the time of loss to its expected useful life.

Depreciation will not be applied to labor or other costs necessary to complete the repair or replacement.

3. "Animal" means a creature of the kingdom Animalia. This includes, but is not limited to, amphibians, birds, fish, insects, mammals, reptiles, and worms.
4. "Buried vessels or piping"
 - a. "Buried vessels or piping" means any piping, valve, fitting, or vessel that is 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. Such equipment will be considered "buried vessels or piping" if any substantial portion is buried or encased, whether or not the entire piece of equipment is buried or encased and whether or not the equipment is connected to other equipment that is not buried or encased.
 - b. None of the following are "buried vessels or piping":
 - (1) Any piping, valve, fitting, or vessel within a building. However, such equipment will not be considered within a building if it is partly or entirely beneath the building's foundation.
 - (2) Any piping, valve, fitting, or vessel within a tunnel through which people can pass and that connects two or more buildings.
 - (3) Any piping, valve or fitting that is part of a closed loop geothermal system.
 - (4) A pressure vessel used as the cylinder of a hydraulic elevator.
5. "Cloud or outsourced computing services" means professional, on-demand, self-service data storage or data processing services provided through the internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud or outsourced computing services" include private clouds if such services are owned and operated by a third party.
6. "Covered equipment"
 - a. "Covered equipment" means Covered Property:
 - (1) That generates, transmits or utilizes energy; or
 - (2) 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.
 - b. Except as specifically provided for under A.2.m. Service Interruption and A.2.n. (part of Spoilage and Consequential Damage coverage), such equipment must be owned or leased by you, or operated under your control.
 - c. None of the following is "covered equipment":
 - (1) Structures, including, but not limited to, the structural portions of buildings, towers or scaffolding.
 - (2) Foundations.
 - (3) Cabinets, compartments, conduits or ductwork.
 - (4) Insulating or refractory materials or glass linings.
 - (5) Dies, patterns or forms.
 - (6) "Buried vessels or piping".
 - (7) Waste, drainage or sewer piping.
 - (8) Piping, valves or fittings forming a part of a sprinkler or fire suppression system.
 - (9) Piping, valves or fittings used to convey water. However, the following is "covered equipment":
 - (a) Piping, valves or fittings that are part of a closed loop connected to a boiler or a refrigeration or air conditioning system; and
 - (b) Valve actuators.
 - (10) "Vehicles" or equipment mounted on a "vehicle" .
 - (11) Satellites, spacecraft or any equipment mounted on a satellite or spacecraft.
 - (12) Draglines, excavation or construction equipment.



- (13) Equipment manufactured by you for sale.
 - (14) Equipment of others that you modify, maintain or test as a professional service.
 - (15) "Data".
7. "Cyber event" means a hostile, illegal or transgressive act committed through electronic systems. This includes, but is not limited to, hacking, a denial of service attack or the deployment of malware. However, this does not include any such act committed as an act of war, whether or not officially declared.
 8. "Data" means information or instructions stored in digital code capable of being processed by machinery.
 9. "Electronic circuitry impairment"
 - a. "Electronic circuitry impairment" means a fortuitous event involving Electronic Circuitry within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in b. and c. below.
 - b. We will determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more Electronic Circuitry components of the "covered equipment".
 - c. None of the following is an "electronic circuitry impairment":
 - (1) Any condition caused by or related to:
 - (a) Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days; or
 - (b) Insufficient size, capability or capacity of the "covered equipment".
 - d. Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty will not be considered an observable loss of functionality.
 - e. As used in this definition, Electronic Circuitry means microelectronic components, including, but not limited to, circuit boards, integrated circuits, computer chips and disk drives.
 10. "Hazardous substance" means any substance that is dangerous or harmful to health or has been declared by a governmental agency to be dangerous or harmful to health.
 11. "Media" means material on which "data" is recorded, such as flash drives, hard disks, magnetic tapes, optical disks or solid state drives.
 12. "Mobile Robot"
 - a. "Mobile robot" means "covered equipment" that is:
 - (1) Able to move about under its own power; and
 - (2) Used solely within a structure or building.
 - b. "Mobile robot" does not mean any equipment that is
 - (1) Directed or steered by a human driver who is on or in such equipment;
 - (2) Used to transport people;
 - (3) Used in or under water or other liquid;
 - (4) Used within tanks or piping; or
 - (5) A drone or other airborne device.
 13. "One equipment breakdown" means all "accidents" and "electronic circuitry impairments" occurring at the same time from the same event. If an "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown".
 14. "Perishable goods" means any Covered Property that is personal property, other than "animals", subject to deterioration or impairment as a result of a change in conditions, including, but not limited to, temperature, humidity or pressure.
 15. "Recognized environmental standards program" means one of the following
 - a. The United States Environmental Protection Agency ENERGY STAR® program;
 - b. The U.S. Green Building Council LEED program;
 - c. The Green Building Initiative GREEN GLOBES program; or
 - d. Any nationally or internationally recognized environmental standards program designed to achieve

energy savings and related objectives of the type included in the programs listed above.

16. "Spoilage and consequential damage" means any detrimental change in physical state. This includes, but is not limited to:
- a. Thawing of frozen goods;
 - b. Warming of refrigerated goods;
 - c. Freezing of fresh goods;
 - d. Solidification of liquid or molten material; and
 - e. Chemical reactions to material in process.
17. "Vehicle"
- a. "Vehicle" means, with respect to this endorsement only, any machine or apparatus that is used for transportation or is able to move about under its own power, even if it is solely used within a structure or building. "Vehicle" includes, but is not limited to, any car, truck, bus, trailer, train, aircraft, drone, watercraft, forklift, bulldozer, tractor or harvester.
 - b. None of the following is a "vehicle":
 - (1) Any property at a covered location that, for at least 24 consecutive hours, has been stationary, installed and receiving electrical power from a power source that is external to such property. However, a battery-propelled machine or apparatus that requires periodic recharging is considered a "vehicle" and not subject to this exception.
 - (2) Any "mobile robot".



ALL OTHER PROVISIONS OF THIS POLICY APPLY.

POLICY NUMBER:

**BUSINESSOWNERS
6038 06 24****THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ACTUAL CASH VALUE DEFINITION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE FORM(S)

The following is added to Section H – Property Definitions:

Actual Cash Value means the estimated amount it would cost to repair or replace covered property at the time of loss or damage with other property of like kind and quality, subject to a deduction for deterioration, depreciation, and obsolescence.

The deduction for depreciation in calculating actual cash value will apply to all costs of repair or replacement including, but not limited to, materials, labor, overhead and profit, and taxes.

ALL OTHER PROVISIONS OF THIS POLICY APPLY.

POLICYHOLDER DISCLOSURE

NOTICE OF TERRORISM
INSURANCE COVERAGE

This Notice does not form a part of your insurance contract. This Notice is designed to alert you to coverage restrictions and to other provisions in the terrorism endorsement of this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply. Carefully read your policy, including the endorsements attached to your policy.

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE MERRIMACK/CAMBRIDGE MUTUAL FIRE/BAY STATE INSURANCE COMPANY HAS AGREED, AT THIS TIME, TO WAIVE ANY ADDITIONAL PREMIUM FOR THIS OFFER OF COVERAGE. Should we decide to make a premium charge for this coverage at any renewal of this policy, you will be given the opportunity to reject this coverage.

In Illinois, Maine, Massachusetts, New Jersey, New York and Rhode Island, a terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism - coverage for such fire losses will be provided in your policy (if this is a renewal policy, coverage for such fire losses will continue to be provided in your policy).

You may choose to reject the offer by signing the REJECTION STATEMENT shown on the reverse side of this notice and returning it to us or your agent, and your policy will be written to exclude the described coverage. Please understand that since we are not making a premium charge for this coverage, there will be no return premium should you elect to reject this offer.

Nothing in this notice should be construed as an offer to reinstate coverage for a cancelled/expired policy. As always, should you have any questions concerning your policy, please contact your independent agent.

REJECTION OF TERRORISM INSURANCE COVERAGE

I hereby reject coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant's Signature

Insurance Company

Print Name

Policy Number

Date

IL P 001 01 04

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

ADDITION OF ACTUAL CASH VALUE DEFINITION RENEWAL CHANGES - NOTICE TO POLICYHOLDERS

Businessowners

CAUTION: NO COVERAGE IS PROVIDED BY THIS NOTICE; NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATION PAGE FOR COMPLETE INFORMATION ON THE COVERAGES THAT YOU ARE PROVIDED. IF THERE IS A CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE POLICY SHALL PREVAIL.

Dear Policyholder,

Your renewal policy includes a new endorsement (6038) which defines Actual Cash Value:

Actual Cash Value means the estimated amount it would cost to repair or replace covered property at the time of loss or damage with other property of like kind and quality, subject to a deduction for deterioration, depreciation, and obsolescence.

The deduction for depreciation in calculating actual cash value will apply to all costs of repair or replacement including, but not limited to, materials, labor, overhead and profit, and taxes.

Please read the new endorsement carefully for the complete terms and contact your independent agent with any questions.

Thank you for insuring with The Andover Companies.

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