

Axel & Associates, Inc.

RECEIVED
MANAGEMENT CONSULTANTS

AUG 25 2011

HEALTH FACILITIES &
SERVICES REVIEW BOARD

August 24, 2011

Mr. Michael Constantino
c/o Illinois Health Facilities
and Services Review Board
525 West Jefferson
Springfield, IL 62761

RE: Confirmation of Insured Value

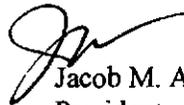
Dear Mr. Constantino:

- Project 11-046 Manteno Dialysis Center, Mokena
- Project 11-042 Provena Covenant Medical Center, Urbana
- Project 11-039 Provena United Samaritans Medical Center, Danville
- Project 11-041 Provena Saint Joseph Hospital, Elgin
- Project 11-051 Provena Saint Joseph Medical Center, Joliet
- Project 11-040 Provena Mercy Medical Center, Aurora
- Project 11-044 Provena St. Mary's Hospital, Kankakee

Please accept the enclosed documents as confirmation of the insured values identified in the respective "Project Costs and Sources of Funds" tables included in the above-referenced *Applications for Permit*. Specifically, enclosed are: 1) a copy of the applicable insurance policy, addressing all of the hospital sites, 2) a copy of the applicable insurance policy, addressing the ESRD site, 3) a letter from Michael Weaver, Sr. Account Manager with Factory Mutual Insurance Company ("Factory Mutual"), identifying the values of individual hospital properties used by Factory Mutual in the writing of the policy.

Thank you for the opportunity to provide this information.

Sincerely,



Jacob M. Axel
President

enclosures

cc: M. Kieffer
A. Murphy



Factory Mutual Insurance Company
 P.O. Box 7500
 Johnston, Rhode Island 02919
 1-800-343-7722

MUTUAL CORPORATION NON-ASSESSABLE POLICY

DECLARATIONS

Policy No. FD292	Previous Policy No. FC999	DATE OF ISSUE 31 May, 2011
Account No. 1-51886	Replaces Binder No.	

In consideration of this Policy's Provisions, Conditions, Stipulations, Exclusions and Limits of Liability, and of premium charged, Factory Mutual Insurance Company, hereafter referred to as the Company, does insure:

<p>INSURED:</p> <p>Provena Health</p> <p>(For Complete Title See Policy)</p>

The term of this Policy is from the 1st day of June, 2011 to the 1st day of June, 2012 at 12:01 a.m., Standard Time, at the Locations of property involved as provided in this Policy.

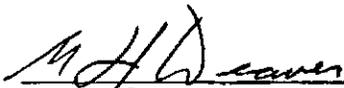
This Policy covers property, as described in this Policy, against ALL RISKS OF PHYSICAL LOSS OR DAMAGE, except as hereinafter excluded, while located as described in this Policy.

By-virtue of this Policy and any other policies purchased from the Company being in force, the Insured becomes a member of the Company, subject to the provisions of its charter and by-laws, and is entitled to one vote either in person or by proxy at any and all meetings of said Company.

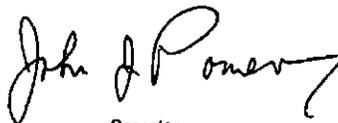
Assignment of this Policy will not be valid except with the written consent of the Company.

This Policy is made and accepted subject to the above provisions and those hereinafter stated, which are made a part of this Policy, together with such other provisions and agreements as may be added to this Policy.

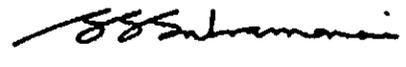
In Witness, this Company has issued this Policy at its office in the city of Johnston, R. I.
 this 31st day of May, 2011.



 Authorized Signature



 Secretary



 President

Countersigned (if required) this _____ day of _____ Agent



TABLE OF CONTENTS
(Order In Which They Appear)

Page No.

DECLARATIONS PAGE

DECLARATIONS - SECTION A

1. NAMED INSURED AND MAILING ADDRESS 1
2. POLICY DATES 1
3. TERRITORY 1
4. INSURED LOCATION 1
5. CURRENCY 2
6. OCCURRENCE 2
7. LIMITS OF LIABILITY 2
8. PREMIUM 6
9. PREMIUM PAYABLE 6
10. VALUE REPORTING PROVISIONS 6
11. WAITING PERIOD 6
12. DEDUCTIBLES 6

PROPERTY DAMAGE - SECTION B

1. PROPERTY INSURED 11
2. PROPERTY EXCLUDED 11
3. ADDITIONAL COVERAGES 12
A. ACCOUNTS RECEIVABLE 12
B. AUTOMATIC COVERAGE 13
C. BRANDS AND LABELS 14
D. COMMUNICABLE DISEASE CLEANUP, REMOVAL AND DISPOSAL 14
E. CONSEQUENTIAL REDUCTION IN VALUE 15
F. CONTROL OF DAMAGED PROPERTY 15
G. DATA, PROGRAMS OR SOFTWARE 16
H. DEBRIS REMOVAL 17
I. DECONTAMINATION COSTS 17
J. DEFERRED PAYMENTS 18
K. DEMOLITION AND INCREASED COST OF CONSTRUCTION 18
L. EARTH MOVEMENT 19
M. EMERGENCY VACATING EXPENSE 19
N. ERRORS AND OMISSIONS 20
O. EXPEDITING COSTS 20
P. FINE ARTS 21
Q. FLOOD 21
R. LAND AND WATER CONTAMINANT CLEANUP, REMOVAL AND DISPOSAL 22
S. MISCELLANEOUS PERSONAL PROPERTY 22
T. OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION 22
U. OPERATIONAL TESTING 23
V. PATIENT AND TENANT RELOCATION EXPENSE 23
W. PATIENT'S PERSONAL PROPERTY 24
X. PRIZES AND GIVEAWAYS 25



TABLE OF CONTENTS
(Order In Which They Appear)

Page No.

Y.	PROFESSIONAL FEES	25
Z.	PROTECTION AND PRESERVATION OF PROPERTY	25
AA.	RESEARCH ANIMALS	26
BB.	SERVICE INTERRUPTION PROPERTY DAMAGE	26
CC.	TAX TREATMENT OF PROFITS	27
DD.	TEMPORARY REMOVAL OF PROPERTY	27
EE.	TERRORISM	28
FF.	TRANSPORTATION	29
GG.	VALUABLE PAPERS AND RECORDS	31
4.	APPLICATION OF POLICY TO DATE OR TIME RECOGNITION	31
5.	EXCLUSIONS	32

TIME ELEMENT - SECTION C

1.	LOSS INSURED	38
2.	TIME ELEMENT COVERAGES	39
A.	INSURED OPTION	39
B.	GROSS EARNINGS	40
C.	GROSS PROFIT	41
D.	EXTRA EXPENSE	43
E.	LEASEHOLD INTEREST	43
F.	RENTAL INSURANCE	44
3.	TIME ELEMENT COVERAGE EXTENSIONS	45
	SUPPLY CHAIN TIME ELEMENT COVERAGE EXTENSIONS	45
A.	CIVIL AUTHORITY	45
B.	CONTINGENT TIME ELEMENT EXTENDED	45
C.	INGRESS/EGRESS	46
D.	LOGISTICS EXTRA COST	47
E.	SERVICE INTERRUPTION TIME ELEMENT	49
	ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS	50
A.	COMPUTER SYSTEMS-NON PHYSICAL DAMAGE	50
B.	DELAY IN START UP	50
C.	EXTENDED PERIOD OF LIABILITY	51
D.	INTERRUPTION BY COMMUNICABLE DISEASE EXPENSE	51
E.	ON PREMISES SERVICES	52
F.	PROTECTION AND PRESERVATION OF PROPERTY - TIME ELEMENT	52
G.	RELATED REPORTED VALUES	53
H.	RESEARCH AND DEVELOPMENT	53
I.	SOFT COSTS	53
4.	PERIOD OF LIABILITY	54
5.	TIME ELEMENT EXCLUSIONS	56

LOSS ADJUSTMENT AND SETTLEMENT - SECTION D

1.	LOSS ADJUSTMENT/PAYABLE	58
2.	CURRENCY FOR LOSS PAYMENT	58
3.	VALUATION	58



TABLE OF CONTENTS
(Order In Which They Appear)

Page No.

4.	LOSS CONDITIONS	61
A.	REQUIREMENTS IN CASE OF LOSS	61
B.	COMPANY OPTION	62
C.	ABANDONMENT	62
D.	SUBROGATION	62
E.	APPRAISAL	63
F.	SUIT AGAINST THE COMPANY	63
5.	SETTLEMENT OF CLAIMS	64
6.	COLLECTION FROM OTHERS	64
7.	PARTIAL PAYMENT OF LOSS SETTLEMENT	64

GENERAL PROVISIONS - SECTION E

1.	ADDITIONAL INSURABLE INTERESTS/CERTIFICATES OF INSURANCE	65
2.	CANCELLATION/NON-RENEWAL	65
3.	INSPECTIONS	65
4.	PROVISIONS APPLICABLE TO SPECIFIC JURISDICTIONS	66
5.	LIBERALIZATION	66
6.	MISREPRESENTATION AND FRAUD	66
7.	LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS	67
8.	OTHER INSURANCE	68
9.	POLICY MODIFICATION	68
10.	REDUCTION BY LOSS	69
11.	SUSPENSION	69
12.	TITLES	69
	NEW MADRID SEISMIC ZONE	APPENDIX A
	PACIFIC NORTHWEST SEISMIC ZONE	APPENDIX B
	NORTHEAST WIND AREA	APPENDIX C
	TIER I WIND AREA	APPENDIX D
	TIER II WIND AREA	APPENDIX E
	SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT, Form FMG7308, Edition January 2008	



DECLARATIONS - SECTION A

1. NAMED INSURED AND MAILING ADDRESS

Provena Health and any subsidiary, and Provena Health's interest in any partnership or joint venture in which Provena Health has management control or ownership as now constituted or hereafter is acquired, as the respective interest of each may appear; all hereafter referred to as the "Insured", including legal representatives.

19065 Hickory Creek Drive
Mokena, Illinois 60448

2. POLICY DATES

FROM: 1 June, 2011
TO: 1 June, 2012
TERM: One year

3. TERRITORY

This Policy covers Insured Locations in:

- A. Canada.
- B. The United States of America.
- C. The Commonwealth of Puerto Rico.

4. INSURED LOCATION

- A. The coverages under this Policy apply to an Insured Location unless otherwise provided.

Insured Location is a location:

- 1) listed on a Schedule of Locations on file with the Company.
- 2) covered as a Miscellaneous Unnamed Location.
- 3) covered under the terms and conditions of the Automatic Coverage or Errors and Omissions provisions.

- B. References and Application. The following term(s) wherever used in this Policy means:

- 1) Miscellaneous Unnamed Location: A Location owned, leased or rented by the Insured, but not specified in the Schedule of Locations.



2) Location:

- a) as specified in the Schedule of Locations, or
- b) if not so specified in the Schedule of Locations: a Location is a building, yard, dock, wharf, pier or bulkhead (or any group of the foregoing) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty feet wide. Any bridge or tunnel crossing such street, space or waterway will render such separation inoperative for the purpose of this References and Application.

5. CURRENCY

All amounts, including deductibles, premiums and limits of liability, indicated in this Policy shall be in the currency represented by the three letter currency designation shown. This three letter currency designator is defined in Table A.1-Currency and funds code list, International Standards Organization (ISO) 4217, edition effective at inception of this Policy.

6. OCCURRENCE

The following term wherever used in this Policy means:

A. Occurrence:

The sum total of all loss or damage of the type insured, including any insured TIME ELEMENT loss, arising out of or caused by one discrete event of physical loss or damage, except as respects the following:

- 1) Terrorism: Occurrence shall mean the sum total of all loss or damage of the type insured, including any insured TIME ELEMENT loss, arising out of or caused by all acts of Terrorism during a continuous period of seventy-two (72) hours.
- 2) Earth Movement: Occurrence shall mean the sum total of all loss or damage of the type insured, including any insured TIME ELEMENT loss, arising out of or caused by all Earth Movement(s) during a continuous period of seventy-two (72) hours.

7. LIMITS OF LIABILITY

The Company's maximum limit of liability in an Occurrence regardless of the number of Locations or coverages involved, including any insured TIME ELEMENT loss, will not exceed the Policy limit of liability of USD650,000,000 subject to the following provisions:

- A. limits of liability stated below or elsewhere in this Policy are part of, and not in addition to, the Policy limit of liability.
- B. limits of liability in an Occurrence apply to the total loss or damage at all Locations and for all coverages involved, including any insured TIME ELEMENT loss, subject to the following provisions:



- 1) when a limit of liability applies in the Aggregate During Any Policy Year, the Company's maximum amount payable will not exceed such limit of liability during any policy year regardless of the number of Locations, coverages or Occurrences involved.
 - 2) when a limit of liability applies to a Location or other specified property, such limit of liability will be the maximum amount payable for all loss or damage at all Locations arising from physical loss or damage at such Location or to such other specified property.
- C. Should an Occurrence result in liability payable under more than one policy issued to the Named Insured by the Company, or its Representative Companies, the maximum amount payable in the aggregate under all such policies will be the applicable limit(s) of liability indicated in this Policy regardless of the number of Locations, coverages or perils involved.

References and Application. The following term(s) means:

Representative Company(ies):

FM Insurance Company Limited; Affiliated FM Insurance Company; Appalachian Insurance Company or any other company issuing an Underlyer policy at the direction of the Company

Limits of Liability

USD10,000,000: Miscellaneous Unnamed Locations per Location

USD100,000,000 applies to each of the following:

ACCOUNTS RECEIVABLE;
DEFERRED PAYMENTS;
ERRORS AND OMISSIONS;
EXPEDITING COSTS and EXTRA EXPENSE combined

USD10,000,000 applies to each of the following:

DATA, PROGRAMS OR SOFTWARE and COMPUTER SYSTEMS – NON PHYSICAL DAMAGE combined;
LEASEHOLD INTEREST;
MISCELLANEOUS PERSONAL PROPERTY per Location;
OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION per Location;
SOFT COSTS

USD100,000:

COMMUNICABLE DISEASE CLEANUP, REMOVAL AND DISPOSAL

The Company's maximum limit of liability for INTERRUPTION BY COMMUNICABLE DISEASE EXPENSE and the above coverage combined shall not exceed USD100,000 regardless of the number of locations or coverages involved.

USD25,000,000:

CONTINGENT TIME ELEMENT EXTENDED



- USD100,000,000: EARTH MOVEMENT in the Aggregate During Any Policy Year
- USD250,000 applies to each of the following:
EMERGENCY VACATING EXPENSE;
PATIENT AND TENANT RELOCATION EXPENSE;
PATIENT'S PERSONAL PROPERTY;
PRIZES AND GIVEAWAYS
- USD100,000,000: FINE ARTS but not to exceed a USD10,000 limit per item for Irreplaceable Fine Arts not on a schedule on file with the Company
- USD100,000,000: FLOOD
- USD250,000: LAND AND WATER CONTAMINANT CLEANUP, REMOVAL AND DISPOSAL in the Aggregate During Any Policy Year
- USD25,000 plus 50% of the amount recoverable under this coverage in excess of USD25,000 but not to exceed USD1,000,000: PROFESSIONAL FEES
- USD100,000: RESEARCH ANIMALS in the Aggregate During Any Policy Year
- USD25,000,000: SERVICE INTERRUPTION PROPERTY DAMAGE and SERVICE INTERRUPTION TIME ELEMENT combined but not to exceed a USD2,500,000 limit for voice, data or video services combined
- USD5,000,000: TERRORISM in the Aggregate During Any Policy Year but not to exceed the following limit(s) in the Aggregate During Any Policy Year:
- a) USD1,000,000 for Miscellaneous Unnamed Locations, MISCELLANEOUS PERSONAL PROPERTY, OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION and TEMPORARY REMOVAL OF PROPERTY combined
 - b) USD1,000,000 for Flood when caused by or resulting from Terrorism

These limits shall not include the Actual Cash Value portion of fire damage caused by Terrorism



These limits do not apply to the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT

USD10,000,000: TRANSPORTATION but not to exceed a USD1,000,000 limit for TIME ELEMENT

USD100,000,000: VALUABLE PAPERS AND RECORDS but not to exceed a USD10,000 limit per item for Irreplaceable Valuable Papers and Records not on a schedule on file with the Company

Time Limits

In addition to the time limits shown elsewhere in this Policy, the following apply:

90 day period but not to exceed a USD100,000,000 limit, per Location: AUTOMATIC COVERAGE

90 day period: EXTENDED PERIOD OF LIABILITY

12 month period: GROSS PROFIT

30 day period but not to exceed a USD5,000,000 limit: INGRESS/EGRESS

30 day period but not to exceed a USD100,000 limit: INTERRUPTION BY COMMUNICABLE DISEASE EXPENSE

180 day period but not to exceed the lesser of a USD5,000,000 limit or 200% of the Normal Cost: LOGISTICS EXTRA COST

12 month period: TIME ELEMENT loss as respects TERRORISM

This Time Limit for TERRORISM coverage shall not be considered additive to any other Time Limits or to any PERIOD OF LIABILITY applying to any coverage provided in the TIME ELEMENT section, and shall be subject to the limits of liability for TERRORISM.

References and Application. The following term(s) means:

a) Irreplaceable:

An item which cannot be replaced with other of like kind and quality.



8. PREMIUM

This Policy is issued in consideration of an initial premium. If the term of this Policy is longer than one year, for each subsequent year of coverage, premium will be due at the anniversary and will be subject to rules and rates in effect at that time.

9. PREMIUM PAYABLE

Aon Risk Services pays the premium under this Policy, and any return of the paid premium accruing under this Policy will be paid to the account of Aon Risk Services.

10. VALUE REPORTING PROVISIONS

The Insured will provide the Company 100% values by location.

These statement(s) of values are due on the date(s) shown below.

<u>Values as Of</u>	<u>Due Date</u>	<u>Type of Values</u>
31 December	15 April	Property values in accordance with the VALUATION clause of the LOSS ADJUSTMENT AND SETTLEMENT section.
31 December	15 April	In addition, Stock and Supplies on the average and maximum values based on the previous 12 month period.
31 December	15 April	Time Element values anticipated for the 12 months following the "Value as Of" date, and the actual Time Element values for the previous 12 month period.

11. WAITING PERIOD

For the purposes of applying COMPUTER SYSTEMS-NON PHYSICAL DAMAGE Coverage, the Waiting Period is 48 hours.

For the purposes of applying DATA, PROGRAMS OR SOFTWARE Coverage when the loss or damage is caused by the malicious introduction of a machine code or instruction, the Waiting Period is 48 hours.

For the purposes of applying LOGISTICS EXTRA COST Coverage, the Waiting Period is 48 hours except 168 hours applies for Earth Movement and/or Flood and/or Wind.

For the purposes of applying SERVICE INTERRUPTION Coverage, the Waiting Period is 24 hours.

12. DEDUCTIBLES

In each case of loss covered by this Policy, the Company will be liable only if the Insured sustains a loss, including any insured TIME ELEMENT loss, in a single Occurrence greater than the applicable deductible specified below, and only for its share of that greater amount.



- A. When this Policy insures more than one Location, the deductible will apply against the total loss covered by this Policy in an Occurrence except that a deductible that applies on a per Location basis, if specified, will apply separately to each Location where the physical damage occurred regardless of the number of Locations involved in the Occurrence.
- B. Unless stated otherwise, if two or more deductibles apply to an Occurrence, the total to be deducted will not exceed the largest deductible applicable. If two or more deductibles apply on a per Location basis in an Occurrence the largest deductible applying to each Location will be applied separately to each such Location.

Policy Deductible(s)

Property Damage: USD50,000;

Time Element: 1 Day Equivalent deductible;

per Occurrence, except as follows.

Exceptions to Policy Deductible(s)

A. Computer Systems-Non Physical Damage

2 Day Equivalent deductible subject to a minimum deductible of USD100,000, per Occurrence.

B. Contingent Time Element Location

USD100,000 per Occurrence. However when the loss results from earthquake, Wind and/or Flood such loss shall be subject to its respective deductible(s) and shall apply at each Contingent Time Element Location where the physical damage occurs as follows:

- 1) Earthquake: USD100,000 per Location
- 2) Flood: USD100,000 per Location
- 3) Wind as respect Wind loss associated with or occurring in conjunction with a storm or weather disturbance identified by name by the U.S. National Hurricane Center or any other meteorological authority, such as the Tokyo Typhoon Center or the Central Pacific Hurricane Center whether or not named prior to the loss:
 - a) As respects Locations the Northeast Wind Area as described in Appendix C:
USD100,000 per Location
 - b) As respects Locations in the Tier I Wind Area as described in Appendix D:
The greater of USD100,000, or 5% of the full 12 months Time Element values that would have been earned following the Occurrence by use of the facilities at the Location where the physical damage occurred and that proportion of the full Time Element values at all other Locations where TIME ELEMENT loss ensues that was



directly affected by the use of such facilities and that would have been earned in the 12 month period following the Occurrence, per Location.

- c) As respects Locations in the Tier II Wind Area as described in Appendix E:
The greater of USD100,000, or 3% of the full 12 months Time Element values that would have been earned following the Occurrence by use of the facilities at the Location where the physical damage occurred and that proportion of the full Time Element values at all other Locations where TIME ELEMENT loss ensues that was directly affected by the use of such facilities and that would have been earned in the 12 month period following the Occurrence, per Location.

C. Data, Programs or Software

2 Day Equivalent deductible as respects loss or damage caused by the malicious introduction of a machine code or instruction, subject to a minimum deductible of USD100,000, per Occurrence.

D. Flood

USD250,000 combined all coverage, per Location applies to the following Locations:

Provena Pineview Care Center
611 Allen Lane
St. Charles, Illinois

Provena Mercy Center
1325 North Highland Avenue
Aurora, Illinois

Covenant Medical Center
1300-1412 West Park
Urbana, Illinois

Our Lady of Victory Nursing Home
20 Briarcliff Lane
Bourbonnais, Illinois

E. Logistics Extra Cost

USD100,000 per Occurrence

F. Specific Location Deductibles

USD100,000 combined all coverages, per Occurrence applies to the following Locations:

Covenant Medical Center
1300-1412 West Park
(excluding 1307 and 1405 West Park)
Urbana, Illinois



Provena United Samaritans Medical Center
812 North Logan
Danville, Illinois

St. Mary's Hospital
(including bridge over West Court Street)
500 West Court Street
Kankakee, Illinois

Provena St. Joseph Medical Center
Madison Street, Glenwood and Springfield,
333 North Madison
Joliet, Illinois

St. Joseph Hospital
77 North Airlite Street
Elgin, Illinois

Provena Mercy Center
1325 North Highland Avenue
Aurora, Illinois

G. Terrorism coverage and the Actual Cash Value portion of fire damage caused by Terrorism

As respects Locations outside of the United States, its territories and possessions and the Commonwealth of Puerto Rico:

- 1) The greater of the Policy Deductible, or if applicable the Location deductible, per Location

H. Transportation

USD25,000 per Occurrence

I. Wind

Wind as respect Wind loss associated with or occurring in conjunction with a storm or weather disturbance identified by name by the U.S. National Hurricane Center or any other meteorological authority, such as the Tokyo Typhoon Center or the Central Pacific Hurricane Center whether or not named prior to the loss:

- 1) As respects Locations in the Northeast Wind Area as described in Appendix C:
 - a) USD100,000 combined all coverages, per Location



- 2) As respects Locations in the Tier I Wind Area as described in Appendix D:
 - a) 5% of the value, per the VALUATION clause of the LOSS ADJUSTMENT AND SETTLEMENT section, of the property insured at the Location where the physical damage occurred and 5% of the full Time Element values that would have been earned in the 12 month period following the Occurrence by use of the facilities at the Location where the physical damage occurred and that proportion of the full Time Element values at all other Locations where TIME ELEMENT loss ensues that was directly affected by use of such facilities and that would have been earned in the 12 month period following the Occurrence, combined all coverages, per Location.
 - b) The above Wind deductible is subject to a minimum deductible of USD100,000 combined all coverages, per Location.
- 3) As respects Locations in the Tier II Wind Area as described in Appendix E:
 - a) 3% of the value, per the VALUATION clause of the LOSS ADJUSTMENT AND SETTLEMENT section, of the property insured at the Location where the physical damage occurred and 3% of the full Time Element values that would have been earned in the 12 month period following the Occurrence by use of the facilities at the Location where the physical damage occurred and that proportion of the full Time Element values at all other Locations where TIME ELEMENT loss ensues that was directly affected by use of such facilities and that would have been earned in the 12 month period following the Occurrence, combined all coverages, per Location.
 - b) The above Wind deductible is subject to a minimum deductible of USD100,000 combined all coverages, per Location.

References and Application. The following term(s) wherever used in this Policy means:

A. Day Equivalent:

An amount equivalent to the number of days stated times the 100% daily Time Element value that would have been earned following the Occurrence at the Location where the physical damage occurred and that proportion of the 100% daily Time Element value at all other Locations where TIME ELEMENT loss ensues that was directly affected by use of such Location.

B. Wind:

Direct action of wind including substance driven by wind. Wind does not mean or include anything defined as Flood in this Policy.



PROPERTY DAMAGE - SECTION B

1. PROPERTY INSURED

This Policy insures the following property, unless otherwise excluded elsewhere in this Policy, located at an Insured Location or within 1,000 feet thereof, to the extent of the interest of the Insured in such property.

- A. Real Property, including new buildings and additions under construction at an Insured Location, in which the Insured has an insurable interest.
- B. Personal Property:
 - 1) owned by the Insured.
 - 2) consisting of the Insured's interest as a tenant in improvements and betterments. In the event of physical loss or damage, the Company agrees to accept and consider the Insured as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary.
 - 3) of officers and employees of the Insured.
 - 4) of others in the Insured's custody to the extent the Insured is under obligation to keep insured for physical loss or damage insured by this Policy.
 - 5) of others in the Insured's custody to the extent of the Insured's legal liability for physical loss or damage to Personal Property. The Company will defend that portion of any suit against the Insured that alleges such liability and seeks damages for such insured physical loss or damage. The Company may, without prejudice, investigate, negotiate and settle any claim or suit as the Company deems expedient.

This Policy also insures the interest of contractors and subcontractors in insured property during construction at an Insured Location or within 1,000 feet thereof, to the extent of the Insured's legal liability for insured physical loss or damage to such property. Such interest of contractors and subcontractors is limited to the property for which they have been hired to perform work and such interest will not extend to any TIME ELEMENT coverage provided under this Policy.

2. PROPERTY EXCLUDED

This Policy excludes:

- A. currency, money, precious metal in bullion form, notes, or securities.
- B. land, water or any other substance in or on land; except this exclusion does not apply to:
 - 1) land improvements consisting of landscape gardening, roadways and pavements, but not including any fill or land beneath such property.



- 2) water that is contained within any enclosed tank, piping system or any other processing equipment.
- C. animals, except as provided by the RESEARCH ANIMALS coverage of this Policy, standing timber, growing crops.
- D. watercraft or aircraft, except when unfueled and manufactured by the Insured.
- E. vehicles of officers and employees of the Insured or vehicles otherwise insured for physical loss or damage.
- F. underground mines or mine shafts or any property within such mine or shaft.
- G. dams and dikes.
- H. property in transit, except as otherwise provided by this Policy.
- I. property sold by the Insured under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to customers, except as provided by the DEFERRED PAYMENTS coverage of this Policy.
- J. electronic data, programs and software, except when they are stock in process, finished goods manufactured by the Insured, raw materials, supplies or other merchandise not manufactured by the Insured or as otherwise provided by the DATA, PROGRAMS OR SOFTWARE coverage of this Policy.

3. ADDITIONAL COVERAGES

This Policy includes the following Additional Coverages for physical loss or damage insured by this Policy.

These Additional Coverages:

- 1) are subject to the applicable limit of liability;
- 2) will not increase the Policy limit of liability; and
- 3) are subject to the Policy provisions, including applicable exclusions and deductibles,

all as shown in this section and elsewhere in this Policy.

A. ACCOUNTS RECEIVABLE

This Policy covers any shortage in the collection of accounts receivable, resulting from insured physical loss or damage to accounts receivable records, including accounts receivable records stored as electronic data, while anywhere within this Policy's TERRITORY, including while in transit. The Company will be liable for the interest charges on any loan to offset impaired collections pending repayment of such sum uncollectible as the result of such loss or damage. Unearned interest and service charges on



deferred payment accounts and normal credit losses on bad debts will be deducted in determining the recovery.

- 1) In the event of loss to accounts receivable records, the Insured will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding accounts receivable.
- 2) The Insured agrees to use any suitable property or service:
 - a) owned or controlled by the Insured; or
 - b) obtainable from other sources,in reducing the loss under this Additional Coverage.
- 3) This Policy covers any other necessary and reasonable costs incurred to reduce the loss, to the extent the losses are reduced.
- 4) If it is possible to reconstruct accounts receivable records so that no shortage is sustained, the Company will be liable only for the reasonable and necessary cost incurred for material and time required to re-establish or reconstruct such records, and not for any costs covered by any other insurance.
- 5) ACCOUNTS RECEIVABLE Exclusions: The following exclusions are in addition to the EXCLUSIONS clause of this section:

This Additional Coverage does not insure against shortage resulting from:

- a) bookkeeping, accounting or billing errors or omissions; or
- b) (i) alteration, falsification, manipulation; or
(ii) concealment, destruction or disposal,

of accounts receivable records committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.

- 6) The settlement of loss will be made within 90 days from the date of physical loss or damage. All amounts recovered by the Insured on outstanding accounts receivable on the date of loss will belong and be paid to the Company up to the amount of loss paid by the Company. All recoveries exceeding the amount paid will belong to the Insured.

B. AUTOMATIC COVERAGE

This Policy covers insured property at any Location purchased, leased or rented by the Insured after the inception date of this Policy. This coverage applies from the date of purchase, lease or rental.



This Additional Coverage does not apply to property insured in whole or in part by any other insurance policy.

This coverage will apply until whichever of the following occurs first:

- 1) The Location is bound by the Company.
- 2) Agreement is reached that the Location will not be insured under this Policy.
- 3) The Time Limit shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section has been reached. The Time Limit begins on the date of purchase, lease or rental.

C. BRANDS AND LABELS

If branded or labeled property insured by this Policy is physically damaged and the Company elects to take all or any part of that property, the Insured may at the Company's expense:

- 1) stamp "salvage" on the property or its containers; or
- 2) remove or obliterate the brands or labels,

if doing so will not damage the property. In either event, the Insured must relabel such property or its containers to be in compliance with any applicable law.

D. COMMUNICABLE DISEASE CLEANUP, REMOVAL AND DISPOSAL

If an order of an authorized governmental agency prohibits access to an insured Healthcare Facility as a result of the enforcement of any law or ordinance regulating the actual not suspected presence of communicable disease, this Policy covers the reasonable and necessary costs incurred by the Insured for the cleanup, removal and disposal of the actual not suspected presence of communicable diseases from insured property at the insured Healthcare Facility and to restore such insured property at the insured Healthcare Facility, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating communicable disease provided:

- 1) that there is an actual spread of communicable diseases beyond that area where such disease is normally present at the insured Healthcare Facility, and
- 2) such order is the direct result of the enforcement of any law or ordinance regulating the actual not suspected spread of communicable disease at the insured Healthcare Facility.

This Additional Coverage does not cover any costs incurred due to any law or ordinance with which the Insured was legally obligated to comply prior to the spread of communicable disease.



For the purpose of this Additional Coverage, the presence of and spread of communicable disease will be considered direct physical damage and the expenses listed above will be considered expenses to repair such damage.

COMMUNICABLE DISEASE CLEANUP, REMOVAL AND DISPOSAL Exclusion: As respects **COMMUNICABLE DISEASE CLEANUP, REMOVAL AND DISPOSAL**, the following additional exclusion applies:

This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- 1) Terrorism.

References and Application. The following term(s) mean(s):

Healthcare Facility:

Facility where medicine is practiced.

E. CONSEQUENTIAL REDUCTION IN VALUE

This Policy covers the reduction in value of insured merchandise that is a part of pairs, sets, or components, directly resulting from physical loss or damage insured by this Policy to other insured parts of pairs, sets or components of such merchandise. If settlement is based on a constructive total loss, the Insured will surrender the undamaged parts of such merchandise to the Company.

F. CONTROL OF DAMAGED PROPERTY

This Policy gives control of physically damaged property consisting of merchandise purchased by the Insured for resale as follows:

- 1) The Insured will have full rights to the possession and control of damaged property in the event of insured physical damage to such property provided proper testing is done to show which property is physically damaged.
- 2) The Insured using reasonable judgment will decide if the physically damaged property can be reprocessed or sold.
- 3) Property so judged by the Insured to be unfit for reprocessing or selling will not be sold or disposed of except by the Insured, or with the Insured's consent.
- 4) Any salvage proceeds received will go to the:
 - a) Company at the time of loss settlement; or
 - b) Insured if received prior to loss settlement and such proceeds will reduce the amount of loss payable accordingly.



G. DATA, PROGRAMS OR SOFTWARE

This Policy covers insured Physical Loss Or Damage To Electronic Data, Programs Or Software, including physical loss or damage caused by the malicious introduction of a machine code or instruction, while anywhere within this Policy's TERRITORY, including while in transit.

- 1) With respect to Physical Loss Or Damage caused by the malicious introduction of machine code or instruction, this Additional Coverage will apply when the Period of Liability is in excess of the time shown as Waiting Period in the WAITING PERIOD clause of the DECLARATIONS section.
- 2) This Additional Coverage also covers the cost of the following reasonable and necessary actions taken by the Insured:
 - a) Actions to temporarily protect and preserve insured electronic data, programs or software;
 - b) Actions taken for the temporary repair of insured Physical Loss Or Damage To Electronic Data, Programs Or Software and to expedite the permanent repair or replacement of such damaged property,

provided such actions are taken due to actual insured Physical Loss Or Damage To Electronic Data, Programs Or Software.

- 3) This Additional Coverage also covers the reasonable and necessary costs incurred by the Insured to temporarily protect or preserve insured electronic data, programs or software against immediately impending insured Physical Loss Or Damage To Electronic Data, Programs Or Software. In the event that the physical loss or damage does not occur, the costs covered under this item 3 will be subject to the deductible that would have applied if the physical loss or damage had occurred.
- 4) Costs recoverable under this Additional Coverage are excluded from coverage elsewhere in this Policy.
- 5) This Additional Coverage excludes loss or damage to data, programs or software when they are stock in process, finished goods manufactured by the Insured, raw materials, supplies or other merchandise not manufactured by the Insured.
- 6) DATA, PROGRAMS OR SOFTWARE Exclusions: The exclusions in the EXCLUSIONS clause of this section do not apply to DATA, PROGRAMS OR SOFTWARE except for A1, A2, A6, B1, B2, B3a, B4 and B5. In addition as respects DATA, PROGRAMS OR SOFTWARE the following exclusions apply:

This Policy does not insure:



- a) errors or omissions in processing, or copying; all unless physical damage not excluded by this Policy results, in which event, only that resulting damage is insured.
- b) loss or damage to data, programs or software from errors or omissions in programming or machine instructions; all unless physical damage not excluded by this Policy results, in which event, only that resulting damage is insured.
- c) deterioration, inherent vice, vermin or wear and tear; all unless physical damage not excluded by this Policy results, in which event, only that resulting damage is insured.

7) References and Application. The following term(s) means:

- a) Physical Loss Or Damage To Electronic Data, Programs Or Software:

The destruction, distortion or corruption of electronic data, programs or software.

H. DEBRIS REMOVAL

This Policy covers the reasonable and necessary costs incurred to remove debris from an Insured Location that remains as a direct result of physical loss or damage insured by this Policy.

This Additional Coverage does not cover the costs of removal of:

- 1) contaminated uninsured property; or
- 2) the Contaminant in or on uninsured property,

whether or not the Contamination results from insured physical loss or damage. This Additional Coverage shall cover the costs of removal of contaminated insured property or the Contaminant in or on insured property only if the Contamination, due to the actual not suspected presence of Contaminant(s), of the debris resulted directly from other physical damage not excluded by the Policy.

I. DECONTAMINATION COSTS

If insured property is contaminated as a direct result of physical damage insured by this Policy and there is in force at the time of the loss any law or ordinance regulating Contamination due to the actual not suspected presence of Contaminant(s), then this Policy covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated insured property in a manner to satisfy such law or ordinance. This Additional Coverage applies only to that part of insured property so contaminated due to the actual not suspected presence of Contaminant(s) as a direct result of insured physical damage.



The Company is not liable for the costs required for removing contaminated uninsured property nor the Contaminant therein or thereon, whether or not the Contamination results from an insured event.

J. DEFERRED PAYMENTS

This Policy covers insured physical loss or damage to Personal Property of the type insured sold by the Insured under a conditional sale or trust agreement or any installment or deferred payment plan and after such property has been delivered to the buyer. Coverage is limited to the unpaid balance for such property.

In the event of loss to property sold under deferred payment plans, the Insured will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding amounts due or to regain possession of the property.

There is no liability under this Policy for loss:

- 1) pertaining to products recalled including, but not limited to, the costs to recall, test or to advertise such recall by the Insured.
- 2) from theft or conversion by the buyer of the property after the buyer has taken possession of such property.
- 3) to the extent the buyer continues payments.
- 4) not within the TERRITORY of this Policy.

K. DEMOLITION AND INCREASED COST OF CONSTRUCTION

- 1) This Policy covers the reasonable and necessary costs incurred, described in item 3 below, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings or structures at an Insured Location, provided:
 - a) such law or ordinance is in force on the date of insured physical loss or damage; and
 - b) its enforcement is a direct result of such insured physical loss or damage.
- 2) This Additional Coverage does not cover loss due to any law or ordinance with which the Insured was required to comply had the loss not occurred.
- 3) This Additional Coverage, as respects the property insured in item 1 above, covers:
 - a) the cost to repair or rebuild the physically damaged portion of such property with materials and in a manner to satisfy such law or ordinance; and
 - b) the cost:
 - (i) to demolish the physically undamaged portion of such property insured; and



- (ii) to rebuild it with materials and in a manner to satisfy such law or ordinance, to the extent that such costs result when the demolition of the physically damaged insured property is required to satisfy such law or ordinance.
- 4) This Additional Coverage excludes any costs incurred as a direct or indirect result of enforcement of any laws or ordinances regulating any form of Contamination.
- 5) The Company's maximum liability for this Additional Coverage at each Insured Location in any Occurrence will not exceed the actual cost incurred in demolishing the physically undamaged portion of the property insured in item 1 above plus the lesser of:
- a) the reasonable and necessary actual cost incurred, excluding the cost of land, in rebuilding on another site; or
 - b) the cost of rebuilding on the same site.

L. EARTH MOVEMENT

This Policy covers physical loss or damage caused by or resulting from Earth Movement.

This Additional Coverage does not apply to loss or damage caused by or resulting from Flood.

1) References and Application. The following term(s) wherever used in this Policy means:

a) Earth Movement:

Any natural or man-made earth movement including, but not limited to earthquake or landslide, regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, physical loss or damage by fire, explosion, or sprinkler leakage resulting from Earth Movement will not be considered to be loss by Earth Movement within the terms and conditions of this Policy.

b) High Hazard Zones for Earth Movement:

Property located in California, Hawaii, Alaska, and the Commonwealth of Puerto Rico.

M. EMERGENCY VACATING EXPENSE

This Policy covers the reasonable and necessary costs incurred by the Insured for the emergency evacuation and subsequent return of patients, tenants and residents that are undergoing medical care, assistance or rehabilitation when an authorized governmental agency orders such evacuation from an insured Healthcare Facility as a direct result of immediately impending physical loss or damage of the type insured.



This Additional Coverage is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

This Additional Coverage does not cover cost resulting from evacuation of any patient or tenant because of a medical condition(s).

EMERGENCY VACATING EXPENSE Exclusion: As respects EMERGENCY VACATING EXPENSE, the following additional exclusion applies:

This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- a) Terrorism.

References and Application. The following term(s) mean(s):

Healthcare Facility:

Facility where medicine is practiced.

N. ERRORS AND OMISSIONS

If physical loss or damage is not payable under this Policy solely due to an error or unintentional omission:

- 1) in the description of where insured property is physically located;
- 2) to include any Location:
 - a) owned, leased or rented by the Insured on the effective date of this Policy; or
 - b) purchased, leased or rented by the Insured during the term of this Policy; or
- 3) that results in cancellation of the property insured under this Policy;

this Policy covers such physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.

It is a condition of this Additional Coverage that any error or unintentional omission be reported by the Insured to the Company when discovered and corrected.

O. EXPEDITING COSTS

This Policy covers the reasonable and necessary costs incurred to pay for the temporary repair of insured damage to insured property and to expedite the permanent repair or replacement of such damaged property.

This Additional Coverage does not cover costs:



- 1) recoverable elsewhere in this Policy; or
- 2) of permanent repair or replacement of damaged property.

P. FINE ARTS

This Policy covers insured physical loss or damage to Fine Arts articles while anywhere within this Policy's TERRITORY, including while in transit.

- 1) FINE ARTS Exclusion: The exclusions in the EXCLUSIONS clause of this section do not apply to FINE ARTS coverage except for A1, A2, A6, A7, B1, B2, B3a, B4 and B5. In addition, as respects FINE ARTS, the following exclusions apply:

This Policy does not insure against:

- a) deterioration, wear and tear or inherent vice.
 - b) fungus, mold or mildew; unless directly resulting from other physical damage not excluded by this Policy.
 - c) loss or damage from any repairing, restoration or retouching process.
- 2) References and Application. The following term(s) wherever used in this Policy means:
 - a) Fine Arts:

Paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, money, securities.

Q. FLOOD

This Policy covers physical loss or damage caused by or resulting from Flood.

- 1) References and Application. The following term(s) wherever used in this Policy means:
 - a) Flood:

Flood; surface waters; rising waters; storm surge, sea surge, wave wash; waves; tsunami; tide or tidal water; the release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom; all whether driven by wind or not; or sewer back-up resulting from any of the foregoing; regardless of any other cause or event, whether natural or man-made, contributing concurrently or in any other sequence of loss. Physical loss or damage from Flood associated with a storm or weather disturbance whether or not identified by name by the U.S. National Hurricane Center or any other meteorological



authority, such as the Tokyo Typhoon Center or the Central Pacific Hurricane Center, is considered to be Flood within the terms of this Policy. However, physical loss or damage by fire, explosion or sprinkler leakage resulting from Flood is not considered to be loss by Flood within the terms and conditions of this Policy.

R. LAND AND WATER CONTAMINANT CLEANUP, REMOVAL AND DISPOSAL

This Policy covers the reasonable and necessary cost for the cleanup, removal and disposal of the actual not suspected presence of Contaminant(s) from uninsured property consisting of land, water or any other substance in or on land at the Insured Location if the release, discharge or dispersal of such Contaminant(s) is a direct result of insured physical loss or damage to insured property.

This Policy does not cover the cost to cleanup, remove and dispose of Contamination from such property:

- 1) at any location insured for Personal Property only.
- 2) at any property insured under AUTOMATIC COVERAGE, ERRORS AND OMISSIONS or Miscellaneous Unnamed Location coverage provided by this Policy.
- 3) when the Insured fails to give written notice of loss to the Company within 180 days after inception of the loss.

S. MISCELLANEOUS PERSONAL PROPERTY

This Policy covers insured physical loss or damage to Personal Property of the type insured:

- 1) owned by the Insured or
- 2) property of others in the custody of the Insured, to the extent the Insured is under obligation to keep insured for physical loss or damage, not otherwise excluded from this Policy,

at any Location within the TERRITORY of this Policy.

This Additional Coverage excludes property insured under any other coverage in this Policy.

T. OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION

This Policy covers insured physical loss or damage to property of the type insured that is under contract to be used in a construction project at an Insured Location.

Coverage attaches at the time such property is delivered to the Insured or their contractor (with respect to the property under construction) by the manufacturer or supplier and such property is located at a storage site within this Policy's TERRITORY but away from the Insured Location.



This coverage includes necessary expendable materials and supplies to be utilized in the construction project but does not include any property owned or rented by the contractor.

U. OPERATIONAL TESTING

This Policy covers insured physical loss or damage to insured property during the Period Of Operational Testing.

Property, including stock or material, manufactured or processed by the Insured is excluded under this Additional Coverage.

1) References and Application. The following term(s) means:

a) Period Of Operational Testing:

The period of time beginning 24 hours prior to the earlier of the following:

(i) introduction, into a system, of feedstock or other materials for processing or handling;

(ii) commencement of fuel or energy supply to a system,

and ending with the earlier of the following:

(i) the expiration date or cancellation date of this Policy.

(ii) if specified, the number of consecutive days shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section.

V. PATIENT AND TENANT RELOCATION EXPENSE

This Policy covers the reasonable and necessary costs incurred by the Insured to relocate and return patients, tenants and residents of an insured Healthcare Facility to another Healthcare Facility, within the TERRITORY of this Policy, when the insured Healthcare Facility is made uninhabitable as a direct result of insured physical loss or damage.

This Additional Coverage also covers the following reasonable and necessary costs when such costs are incurred as the direct result of the relocation to another Healthcare Facility and then subsequent return to the insured Healthcare Facility when repairs are complete:

- 1) the cost to pack and transport Personal Property associated with the patient of the Healthcare Facility, including but not limited to swing beds and medical equipment.
- 2) the cost to pack and transport personal property of the type insured belonging to patients, tenants and residents.
- 3) the cost to search for a Healthcare Facility.



- 4) the costs to establish new utility services at the other Healthcare Facility, less refunds from discontinued services of the uninhabitable insured Healthcare Facility.
- 5) the cost to disconnect and reconnect fixtures and equipment.
- 6) the cost to store personal property of the type insured belonging to patients, residents and tenants until such time as the property can be moved to the insured Healthcare Facility.

This Additional Coverage does not cover the following:

- 1) costs recoverable elsewhere in this Policy.
- 2) security deposits or other payments made to the landlord or lessor of the new Healthcare Facility.
- 3) down payments, legal fees and closing costs for the purchase of new Healthcare Facility.
- 4) loss due to the termination of a lease or other agreement.
- 5) cost to replace Personal Property sent with the patient, tenant or resident to the other Healthcare Facility which for any reason is not returned to the insured Healthcare Facility.

References and Application. The following term(s) mean(s):

Healthcare Facility:

Facility where medicine is practiced.

W. PATIENT'S PERSONAL PROPERTY

This Policy covers insured physical loss or damage to patient's personal property of the type insured not in the custody of the Insured while at an insured Healthcare Facility within the TERRITORY of this Policy.

This Additional Coverage excludes property insured under any other coverage of this Policy.

PATIENT'S PERSONAL PROPERTY Exclusion: As respects **PATIENT'S PERSONAL PROPERTY**, the following additional exclusion applies:

This Policy excludes:

- 1) vehicles registered for highway use.

References and Application. The following term(s) mean(s):

Healthcare Facility:



Facility where medicine is practiced.

X. PRIZES AND GIVEAWAYS

This Policy covers insured physical loss or damage to personal property of the type insured, including motor vehicles and watercraft, when such property is a prize or giveaway for an Insured's fundraising or charity event while anywhere within the TERRITORY of this Policy.

This Additional Coverage excludes property insured under any other coverage in this Policy.

Y. PROFESSIONAL FEES

This Policy covers the actual costs incurred by the Insured, of reasonable fees payable to the Insured's accountants, architects, auditors, engineers, or other professionals and the cost of using the Insured's employees, for producing and certifying any particulars or details contained in the Insured's books or documents, or such other proofs, information or evidence required by the Company resulting from insured loss payable under this Policy for which the Company has accepted liability.

- 1) This Additional Coverage will not include the fees and costs of attorneys, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them nor the fees and costs of loss consultants who provide consultation on coverage or negotiate claims.
- 2) This Additional Coverage is subject to the deductible that applies to the loss.

Z. PROTECTION AND PRESERVATION OF PROPERTY

This Policy covers:

- 1) reasonable and necessary costs incurred for actions to temporarily protect or preserve insured property; provided such actions are necessary due to actual, or to prevent immediately impending, insured physical loss or damage to such insured property.
- 2) reasonable and necessary:
 - a) fire department fire fighting charges imposed as a result of responding to a fire in, on or exposing the insured property.
 - b) costs incurred of restoring and recharging fire protection systems following an insured loss.
 - c) costs incurred for the water used for fighting a fire in, on or exposing the insured property.



This Additional Coverage does not cover costs incurred for actions to temporarily protect or preserve insured property from actual, or to prevent immediately impending, physical loss or damage covered by TERRORISM coverage as provided in this section of the Policy.

This Additional Coverage is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

AA. RESEARCH ANIMALS

This Policy covers insured physical loss or damage to animals used for research, and animals used in the conduct of the Insured's business.

RESEARCH ANIMALS Exclusions: As respects RESEARCH ANIMALS, the following additional exclusions apply:

This Policy excludes the following unless directly resulting from other physical damage not excluded by this Policy:

- a) death, destruction, or injury from natural causes.
- b) escape.
- c) sickness, disease, infection, infestation or illness.
- d) error or omission in processing and/or failure on the part of the Insured to provide nourishment, medicine or sanitary conditions.
- e) contamination of animals, food or medicine.

BB. SERVICE INTERRUPTION PROPERTY DAMAGE

- 1) This Policy covers insured physical loss or damage to insured property at an Insured Location or as MISCELLANEOUS PERSONAL PROPERTY when such physical loss or damage results from the interruption of the specified incoming services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service or from the lack of transmission of incoming or outgoing voice, data or video services by reason of any accidental event at the facilities of the supplier of such service located within this Policy's TERRITORY, that immediately prevents in whole or in part the delivery of such usable service.
- 2) This Additional Coverage will apply when the Period of Service Interruption is in excess of the time shown as Waiting Period in the WAITING PERIOD clause of the DECLARATIONS section.
- 3) The exclusions in the EXCLUSIONS clause of this section do not apply to SERVICE INTERRUPTION PROPERTY DAMAGE coverage except for:
 - a) A1, A2, A3, A6, B1, B2, B5, and



- b) D1 except with respect to fungus, mold or mildew.

In addition, as respects SERVICE INTERRUPTION PROPERTY DAMAGE coverage the following exclusion applies:

This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- a) the interruption of incoming or outgoing voice, data or video service as the result of an accidental event or physical damage to a satellite.
 - b) Terrorism.
- 4) Additional General Provisions:
- a) The Insured will immediately notify the suppliers of services of any interruption of such services.
 - b) The Company will not be liable if the interruption of such services is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has for the supply of such specified services.
- 5) References and Application. The following term(s) means:
- a) Period of Service Interruption:

The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored.

CC. TAX TREATMENT OF PROFITS

This Policy is extended to cover the increased tax liability from an insured loss at an Insured Location if the tax treatment of:

- 1) the profit portion of a loss payment under this Policy involving finished stock manufactured by the Insured; and/or
- 2) the profit portion of a TIME ELEMENT loss payment under this Policy;

is greater than the tax treatment of profits that would have been incurred had no loss occurred.

DD. TEMPORARY REMOVAL OF PROPERTY

- 1) When insured property is removed from an Insured Location for the purpose of being repaired or serviced or in order to avoid threatened physical loss or damage of the type insured by this Policy, this Policy covers such property:



- a) while at the location to which such property has been moved; and
 - b) for physical loss or damage as provided at the Insured Location from which such property was removed.
- 2) This Additional Coverage does not apply to property:
- a) insured, in whole or in part, elsewhere in this Policy.
 - b) insured, in whole or in part, by any other insurance policy.
 - c) removed for normal storage, processing or preparation for sale or delivery.

EE. TERRORISM

This Policy covers physical loss or damage caused by or resulting from Terrorism only at locations as specifically described on the Schedule of Locations, at Miscellaneous Unnamed Locations and property covered under MISCELLANEOUS PERSONAL PROPERTY and OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION.

Any act which satisfies the definition of Terrorism in item B2f of the EXCLUSIONS clause in this section of the Policy shall not be considered to be vandalism, malicious mischief, riot, civil commotion, or any other risk of physical loss or damage covered elsewhere in this Policy.

Amounts recoverable under this Additional Coverage are excluded from coverage elsewhere in this Policy.

This Additional Coverage does not cover loss or damage which also comes within the terms of either item B2a or B2c of the EXCLUSIONS clause in this section of the Policy.

This Additional Coverage does not in any event cover loss or damage directly or indirectly caused by or resulting from any of the following, regardless of any other cause or event, whether or not insured under this Policy contributing concurrently or in any other sequence to the loss:

- 1) that involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination or that involves the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion, or radioactive force, whether in time of peace or war and regardless of who commits the act; or
- 2) that is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- 3) in which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials; or



- 4) that involves action taken to prevent, defend against, respond to or retaliate against Terrorism or suspected Terrorism.

As respects this Additional Coverage, this Policy does not insure any TIME ELEMENT loss as provided in the TIME ELEMENT section of this Policy for more than the number of months shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.

FF. TRANSPORTATION

- 1) This Policy covers the following Personal Property, except as excluded by this Policy, while in transit within the TERRITORY of this Policy:
 - a) owned by the Insured.
 - b) shipped to customers under F.O.B., C & F or similar terms. The Insured's contingent interest in such shipments is admitted.
 - c) of others in the actual or constructive custody of the Insured to the extent of the Insured's interest or legal liability.
 - d) of others sold by the Insured, that the Insured has agreed prior to the loss to insure during course of delivery including:
 - (i) when shipped by the Insured's direct contract service provider or by the Insured's direct contract manufacturer to the Insured or to the Insured's customer.
 - (ii) when shipped by the Insured's customer to the Insured or to the Insured's contract service provider or to the Insured's contract manufacturer.
- 2) This Additional Coverage excludes:
 - a) samples in the custody of salespeople or selling agents.
 - b) property insured under import or export ocean marine insurance.
 - c) waterborne shipments, unless:
 - (i) by inland water; or
 - (ii) by coastal shipments.
 - d) waterborne shipments via Panama Canal or to and from Alaska, the Commonwealth of Puerto Rico, and Hawaii.
 - e) airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.



- f) property of others, including the Insured's legal liability for it, hauled on vehicles owned, leased or operated by the Insured when acting as a common or contract carrier.
 - g) any transporting vehicle.
- 3) Coverage Attachment and Duration:
- a) This Additional Coverage covers from the time the property leaves the original point of shipment for transit until the property arrives at the destination.
 - b) However, coverage on export shipments not insured under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies begins after discharge from overseas vessels or aircraft.
- 4) This Additional Coverage:
- a) covers general average and salvage charges on shipments covered while waterborne.
 - b) insures physical loss or damage caused by or resulting from:
 - (i) unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts.
 - (ii) improper parties having gained possession of property through fraud or deceit.
- 5) The exclusions in the EXCLUSIONS clause of this section do not apply to TRANSPORTATION coverage except for A1 through A4, B1 through B5, C1, C3, C5, C6, D1 through D3.
- 6) Additional General Provisions:
- a) This Additional Coverage will not inure directly or indirectly to the benefit of any carrier or bailee.
 - b) The Insured has permission, without prejudicing this insurance, to accept:
 - (i) ordinary bills of lading used by carriers;
 - (ii) released bills of lading;
 - (iii) undervalued bills of lading; and
 - (iv) shipping or messenger receipts.
 - c) The Insured may waive subrogation against railroads under side track agreements.



Except as otherwise stated, the Insured will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

GG. VALUABLE PAPERS AND RECORDS

This Policy covers insured physical loss or damage to Valuable Papers and Records while anywhere within this Policy's TERRITORY, including while in transit.

- 1) This Additional Coverage excludes loss or damage to:
 - a) currency, money or securities.
 - b) property held as samples or for sale or for delivery after sale.
- 2) VALUABLE PAPERS AND RECORDS Exclusions: The exclusions in the EXCLUSIONS clause of this section do not apply to VALUABLE PAPERS AND RECORDS coverage except for A1, A2, A6, A7, B1, B2, B3a, B4, and B5. In addition, as respects VALUABLE PAPERS AND RECORDS the following exclusions apply:

This Policy does not insure:

- a) errors or omissions in processing, or copying; all unless physical damage not excluded by this Policy results, in which event, only that resulting damage is insured.
 - b) deterioration, inherent vice, vermin or wear and tear; all unless physical damage not excluded by this Policy results, in which event, only that resulting damage is insured.
 - c) fungus, mold or mildew; unless directly resulting from other physical damage not excluded by this Policy.
- 3) References and Application. The following term(s) wherever used in this Policy means:
 - a) Valuable Papers and Records:

Written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, all of which must be of value to the Insured.

4. APPLICATION OF POLICY TO DATE OR TIME RECOGNITION

- A. With respect to situations caused by the so-called "Year 2000" problem or any other Date or Time Recognition problem by Electronic Data Processing Equipment or Media, this Policy applies as follows.
 - 1) This Policy does not pay for remediation, change, correction, repair or assessment of any Year 2000 or any other Date or Time Recognition problem in any Electronic Data Processing Equipment or Media, whether preventative or remedial, and whether before



or after a loss, including temporary protection and preservation of property. This Policy does not pay for any TIME ELEMENT loss resulting from the foregoing remediation, change, correction, repair or assessment.

- 2) Failure of Electronic Data Processing Equipment or Media to correctly recognize, interpret, calculate, compare, differentiate, sequence, access or process data involving one or more dates or times, including the Year 2000, is not physical loss or damage insured against by this Policy. This Policy does not pay for any such incident or for any TIME ELEMENT loss resulting from any such incident.

Subject to all of its terms and conditions, this Policy does pay for physical loss or damage not excluded by this Policy that results from a failure of Electronic Data Processing Equipment or Media to correctly recognize, interpret, calculate, compare, differentiate, sequence, access or process data involving one or more dates or times, including the Year 2000. Such covered resulting physical loss or damage does not include any loss, cost or expense described in 1 or 2 above. If such covered resulting physical loss or damage occurs, and if this Policy provides TIME ELEMENT coverage, then, subject to all of its terms and conditions, this Policy also covers any insured Time Element loss directly resulting therefrom.

B. References and Application. The following term(s) wherever used in this Policy means:

- 1) Date or Time Recognition:

The recognition, interpretation, calculation, comparison, differentiation, sequencing, accessing or processing of data involving one or more dates or times, including the Year 2000.

- 2) Electronic Data Processing Equipment or Media:

Any computer, computer system or component, hardware, network, microprocessor, microchip, integrated circuit or similar devices or components in computer or non-computer equipment, operating systems, data, programs or other software stored on electronic, electro-mechanical, electro-magnetic data processing or production equipment, whether the property of the Insured or not.

5. EXCLUSIONS

The following exclusions apply unless specifically stated elsewhere in this Policy:

A. This Policy excludes:

- 1) indirect or remote loss or damage.
- 2) interruption of business, except to the extent provided by this Policy.
- 3) loss of market or loss of use.
- 4) loss or damage or deterioration arising from any delay.



- 5) mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained loss.
- 6) loss from enforcement of any law or ordinance:
 - a) regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
 - b) requiring the demolition of any property, including the cost in removing its debris;except as provided by the DECONTAMINATION COSTS and DEMOLITION AND INCREASED COST OF CONSTRUCTION coverages of this section of this Policy.
- 7) loss resulting from the voluntary parting with title or possession of property if induced by any fraudulent act or by false pretence.

B. This Policy excludes loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- 1) nuclear reaction or nuclear radiation or radioactive contamination. However:
 - a) if physical damage by fire or sprinkler leakage results, then only that resulting damage is insured; but not including any loss or damage due to nuclear reaction, radiation or radioactive contamination.
 - b) this Policy does insure physical damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Insured Location, provided that on the date of loss, there is neither a nuclear reactor nor any new or used nuclear fuel on the Insured Location. This coverage does not apply to any act, loss or damage excluded in item B2f of this EXCLUSIONS clause.

This exclusion B1 and the exceptions in B1a and B1b do not apply to any act, loss or damage which also comes within the terms of exclusion B2b of this EXCLUSIONS clause.

- 2) a) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by any:
 - (i) government or sovereign power (de jure or de facto);
 - (ii) military, naval or air force; or
 - (iii) agent or authority of any party specified in i or ii above.
- b) discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.



- c) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.
- d) seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.
- e) risks of contraband, or illegal transportation or trade.
- f) Terrorism, including action taken to prevent, defend against, respond to or retaliate against Terrorism or suspected Terrorism, except to the extent provided in the TERRORISM coverage in this section of the Policy. However, if direct loss or damage by fire results from any of these acts (unless committed by or on behalf of the Insured), then this Policy covers only to the extent of the Actual Cash Value of the resulting direct loss or damage by fire to property insured. This coverage exception for such resulting fire loss or damage does not apply to:
 - (i) direct loss or damage by fire which results from any other applicable exclusion in the Policy, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
 - (ii) any coverage provided in the TIME ELEMENT section of this Policy or to any other coverages provided in this Policy.

Any act which satisfies the definition of Terrorism as provided herein shall not be considered to be vandalism, malicious mischief, riot, civil commotion, or any other risk of physical loss or damage covered elsewhere in this Policy.

If any act which satisfies the definition of Terrorism as provided herein also comes within the terms of item B2a of this EXCLUSIONS clause then item B2a applies in place of this item B2f exclusion.

If any act which satisfies the definition of Terrorism as provided herein also comes within the terms of item B2b of this EXCLUSIONS clause then item B2b applies in place of this item B2f exclusion.

If any act which satisfies the definition of Terrorism as provided herein also comes within the terms of item B2c of this EXCLUSIONS clause then item B2c applies in place of this item B2f exclusion.

If any act excluded herein involves nuclear reaction, nuclear radiation or radioactive contamination, this item B2f exclusion applies in place of item B1 of this EXCLUSIONS clause.

References and Application. The following term wherever used in this Policy means:



Terrorism:

Any act, involving the use or threat of: force, violence, dangerous conduct, interference with the operations of any business, government or other organization or institution, or any similar act,

When the effect or apparent purpose is:

- (i) To influence or instill fear in any government (de jure or de facto) or the public, or any segment of either; or
 - (ii) To further or to express support for, or opposition to, any political, religious, social, ideological or similar type of objective or position.
- 3) any dishonest act, including but not limited to theft, committed alone or in collusion with others, at any time:
- a) by an Insured or any proprietor, partner, director, trustee, officer, or employee of an Insured; or
 - b) by any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by an Insured to do anything in connection with property insured under this Policy.

This Policy does insure acts of direct insured physical damage intentionally caused by an employee of an Insured or any individual specified in b above, and done without the knowledge of the Insured. This coverage does not apply to any act excluded in B2f of this EXCLUSIONS clause. In no event does this Policy cover loss by theft by any individual specified in a or b above.

- 4) lack of the following services:
- a) incoming electricity, fuel, water, gas, steam, refrigerant;
 - b) outgoing sewerage;
 - c) incoming or outgoing voice, data or video,

all when caused by an event off the Insured Location, except as provided in SERVICE INTERRUPTION in the PROPERTY DAMAGE or TIME ELEMENT section of this Policy. But, if the lack of such a service directly causes physical damage insured by this Policy on the Insured Location, then only that resulting damage is insured.

- 5) Earth Movement for property located in High Hazard Zones for Earth Movement, in the New Madrid Seismic Zone as described in Appendix A and in the Pacific Northwest Seismic Zone as described in Appendix B, and Flood at 1681 Willow Circle, Crest Hill, Illinois and 501 South Locust Street, Manteno, Illinois.



- C. This Policy excludes the following, but, if physical damage not excluded by this Policy results, then only that resulting damage is insured:
- 1) faulty workmanship, material, construction or design from any cause.
 - 2) loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.
 - 3) deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.
 - 4) settling, cracking, shrinking, bulging, or expansion of:
 - a) foundations (including any pedestal, pad, platform or other property supporting machinery).
 - b) floors.
 - c) pavements.
 - d) walls.
 - e) ceilings.
 - f) roofs.
 - 5)
 - a) changes of temperature damage (except to machinery or equipment); or
 - b) changes in relative humidity damage,all whether atmospheric or not.
 - 6) insect, animal or vermin damage.
 - 7) loss or damage to the interior portion of buildings under construction from rain, sleet or snow, whether or not driven by wind, when the installation of the roof, walls and windows of such buildings has not been completed.
- D. This Policy excludes the following unless directly resulting from other physical damage not excluded by this Policy:
- 1) Contamination, and any cost due to Contamination including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy. If Contamination due only to the actual not suspected presence of Contaminant(s) directly results from other physical damage not excluded by this Policy, then only physical damage caused by such Contamination may be insured. This exclusion D1 does not apply to radioactive contamination which is excluded elsewhere in this Policy.



- 2) shrinkage.
- 3) changes in color, flavor, texture or finish.

References and Application: The following term(s) wherever used in this Policy means:

1) Contamination:

Any condition of property due to the actual or suspected presence of any foreign substance, impurity, pollutant, hazardous material, poison, toxin, pathogen or pathogenic organism, bacteria, virus, disease causing or illness causing agent, fungus, mold or mildew.

2) Contaminant:

Anything that causes Contamination.



TIME ELEMENT - SECTION C

TIME ELEMENT loss as provided in the TIME ELEMENT COVERAGES and TIME ELEMENT COVERAGE EXTENSIONS of this section of the Policy:

- A. is subject to the applicable limit of liability that applies to the insured physical loss or damage but in no event for more than any limit of liability that is stated as applying to the specific TIME ELEMENT COVERAGE and/or TIME ELEMENT COVERAGE EXTENSION; and
 - B. will not increase the Policy limit of liability; and
 - C. is subject to the Policy provisions, including applicable exclusions and deductibles,
- all as shown in this section and elsewhere in this Policy.

1. LOSS INSURED

- A. This Policy insures TIME ELEMENT loss, as provided in the TIME ELEMENT COVERAGES, directly resulting from physical loss or damage of the type insured by this Policy:
 - 1) to property described elsewhere in this Policy and not otherwise excluded by this Policy or otherwise limited in the TIME ELEMENT COVERAGES below;
 - 2) used by the Insured, or for which the Insured has contracted use;
 - 3) located at an Insured Location or within 1,000 feet of it, or as provided as TEMPORARY REMOVAL OF PROPERTY or OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION; or
 - 4) while at a MISCELLANEOUS PERSONAL PROPERTY Location and such Location is not a Contingent Time Element Location; or
 - 5) while in transit as provided by this Policy, and
 - 6) during the Periods of Liability described in this section.
- B. This Policy insures TIME ELEMENT loss only to the extent it cannot be reduced through:
 - 1) the use of any property or service owned or controlled by the Insured;
 - 2) the use of any property or service obtainable from other sources;
 - 3) working extra time or overtime; or
 - 4) the use of inventory,



all whether at an Insured Location or at any other location. The Company reserves the right to take into consideration the combined operating results of all associated, affiliated or subsidiary companies of the Insured in determining the TIME ELEMENT loss.

- C. This Policy covers expenses reasonably and necessarily incurred by the Insured to reduce the loss otherwise payable under this section of this Policy. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.
- D. Except as respects LEASEHOLD INTEREST, in determining the amount of loss payable, the Company will consider the experience of the business before and after and the probable experience during the PERIOD OF LIABILITY.
- E. The following TIME ELEMENT COVERAGE EXTENSIONS also apply for Contingent Time Element Locations which shall be considered Insured Locations for application of such Extensions:

CIVIL AUTHORITY
CONTINGENT TIME ELEMENT EXTENDED
DELAY IN START UP
EXTENDED PERIOD OF LIABILITY
INGRESS/EGRESS
ON PREMISES SERVICES
SERVICE INTERRUPTION TIME ELEMENT

2. TIME ELEMENT COVERAGES

A. INSURED OPTION

The Insured has the option to make claim based on either

- a) GROSS EARNINGS and EXTENDED PERIOD OF LIABILITY; or
- b) GROSS PROFIT,

as described in the TIME ELEMENT section of this Policy and subject to the applicable terms and conditions as may be shown elsewhere.

Such option may be exercised at any time prior to the conditions set forth in SETTLEMENT OF CLAIMS clause in the LOSS ADJUSTMENT AND SETTLEMENT section of this Policy.

If such claim involves more than one Insured Location, including interdependency at one or more Insured Locations, all such claim will be adjusted by using the single coverage option chosen above.



B. GROSS EARNINGS

1) Measurement of Loss:

- a) The recoverable GROSS EARNINGS loss is the Actual Loss Sustained by the Insured of the following during the PERIOD OF LIABILITY:
 - (i) Gross Earnings;
 - (ii) less all charges and expenses that do not necessarily continue during the interruption of production or suspension of business operations or services;
 - (iii) plus all other earnings derived from the operation of the business.
- b) In determining the indemnity payable as the Actual Loss Sustained, the Company will consider the continuation of only those normal charges and expenses that would have been earned had no interruption of production or suspension of business operations or services occurred.
- c) There is recovery hereunder but only to the extent that the Insured is:
 - (i) wholly or partially prevented from producing goods or continuing business operations or services;
 - (ii) unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;
 - (iii) unable to continue such operations or services during the PERIOD OF LIABILITY; and
 - (iv) able to demonstrate a loss of sales for the operations, services or production prevented.

2) References and Application. The following term(s) means:

Gross Earnings, as used in item 1a):

- a) for manufacturing operations: the net sales value of production less the cost of all raw stock, materials and supplies used in such production; or
- b) for mercantile or non-manufacturing operations: the total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the Insured.

Any amount recovered under property damage coverage at selling price for loss or damage to merchandise will be considered to have been sold to the Insured's regular customers and will be credited against net sales.



C. GROSS PROFIT

1) Measurement of Loss:

a) The recoverable GROSS PROFIT loss is the Actual Loss Sustained by the Insured of the following due to the necessary interruption of business during the PERIOD OF LIABILITY: (i) Reduction in Sales, and (ii) Increase in Cost of Doing Business. The amount payable as indemnity hereunder will be:

(i) with respect to Reduction in Sales: The sum produced by applying the Rate of Gross Profit to the amount by which the sales during the PERIOD OF LIABILITY will fall short of the Standard Sales. In determining the Reduction in Sales, any amount recovered under property damage coverage at selling price for loss or damage to or destruction of finished goods or merchandise will be credited against lost sales.

(ii) with respect to Increase in Cost of Doing Business:

(a) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in sales which, but for that expenditure, would have taken place during the PERIOD OF LIABILITY; but

(b) not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided,

all less any sum saved during the PERIOD OF LIABILITY with respect to such of the Insured Fixed Charges as may cease or be reduced because of such interruption of business.

b) In determining the indemnity payable as the Actual Loss Sustained:

(i) if any fixed charges of the business are not insured hereunder, then, in computing the amount recoverable hereunder as Increase in Cost of Doing Business, that proportion only of the additional expenditure will be recoverable hereunder which the sum of the Net Profit and the Insured Fixed Charges bears to the sum of the Net Profit and all the fixed charges.

(ii) if during the PERIOD OF LIABILITY goods will be sold or services will be rendered elsewhere than at the Insured Locations for the benefit of the business, either by the Insured or by others on the Insured's behalf, the money paid or payable in respect of such sales or services will be included in arriving at the amount of sales during the PERIOD OF LIABILITY.

c) The Insured will act with due diligence and dispatch in repairing or replacing physically damaged buildings and equipment to the same or equivalent physical and operating conditions that existed prior to the damage; and take whatever actions are necessary and reasonable to minimize the loss payable hereunder.



- 2) GROSS PROFIT Exclusions: As respects GROSS PROFIT, the TIME ELEMENT EXCLUSIONS B of this section does not apply and the following applies instead:

This Policy does not insure against any increase in loss due to fines or damages for breach of contract or for late or noncompletion of orders, or penalties of any nature.

- 3) Additional Condition:

- a) Coverage under GROSS PROFIT for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the PERIOD OF LIABILITY.

- 4) References and Application. The following term(s) mean:

- a) Gross Profit:

The amount produced by adding to the Net Profit the amount of the Insured Fixed Charges, or if there be no Net Profit the amount of the Insured Fixed Charges less that proportion of any loss from business operations as the amount of the Insured Fixed Charges bears to all Fixed Charges.

- b) Net Profit:

The net operating profit (exclusive of all capital receipts and accruals and all outlay properly chargeable to capital) resulting from the business of the Insured at the Insured Locations after due provision has been made for all fixed charges and other expenses including depreciation but before the deduction of any taxes on profits.

- c) Insured Fixed Charges:

All fixed charges unless specifically excluded herein.

- d) Sales:

The money paid or payable to the Insured for goods sold and delivered and for services rendered in the conduct of the business at an Insured Location.

- e) Rate of Gross Profit:

The rate of Gross Profit earned on the sales during the twelve full calendar months immediately before the date of the physical loss or damage to the described property.

- f) Standard Sales:

The sales during that period in the twelve months immediately before the date of the physical loss or damage to the described property which corresponds with the PERIOD OF LIABILITY.



D. EXTRA EXPENSE

1) Measurement of Loss:

The recoverable EXTRA EXPENSE loss will be the reasonable and necessary extra costs incurred by the Insured of the following during the PERIOD OF LIABILITY:

a) Extra expenses to temporarily continue as nearly normal as practicable the conduct of the Insured's business; and

b) Extra costs of temporarily using property or facilities of the Insured or others, less any value remaining at the end of the PERIOD OF LIABILITY for property obtained in connection with the above.

2) EXTRA EXPENSE Exclusions: As respects EXTRA EXPENSE, the following are also excluded:

a) Any loss of income.

b) Costs that normally would have been incurred in conducting the business during the same period had no physical loss or damage occurred.

c) Cost of permanent repair or replacement of property that has been damaged or destroyed.

d) Any expense recoverable elsewhere in this Policy.

3) References and Application. The following term(s) means:

a) Normal:

The condition that would have existed had no physical loss or damage occurred.

E. LEASEHOLD INTEREST

1) Measurement of Loss:

The recoverable LEASEHOLD INTEREST incurred by the Insured of the following:

a) If the lease agreement requires continuation of rent; and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease; or if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.

b) If the lease is canceled by the lessor pursuant to the lease agreement or by the operation of law; the Lease Interest for the first three months following the loss; and the Net Lease Interest for the remaining unexpired term of the lease.

2) References and Application. The following term(s) means:

a) Lease Interest:

The excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including maintenance or operating charges) for each month during the unexpired term of the Insured's lease.

b) Net Lease Interest:

That sum which placed at 6% interest rate compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

3) LEASEHOLD INTEREST Exclusions: As respects LEASEHOLD INTEREST, TIME ELEMENT EXCLUSIONS A, B, and C do not apply and the following applies instead:

This Policy does not insure any increase in loss resulting from the suspension, lapse or cancellation of any license, or from the Insured exercising an option to cancel the lease; or from any act or omission of the Insured that constitutes a default under the lease.

In addition, there is no coverage for the Insured's loss of LEASEHOLD INTEREST directly resulting from physical loss or damage to Personal Property.

F. RENTAL INSURANCE

1) Measurement of Loss:

The recoverable RENTAL INSURANCE loss is the Actual Loss Sustained by the Insured of the following during the PERIOD OF LIABILITY:

- a) The fair rental value of any portion of the property occupied by the Insured;
- b) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
- c) 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,

all not to include noncontinuing charges and expenses.

2) RENTAL INSURANCE Exclusions: As respects RENTAL INSURANCE, TIME ELEMENT EXCLUSIONS A does not apply and the following applies instead:

- A. This Policy does not insure any loss of rental income during any period in which the insured property would not have been tenantable for any reason other than an insured loss.



3. TIME ELEMENT COVERAGE EXTENSIONS

This Policy also insures TIME ELEMENT loss, as provided by the TIME ELEMENT COVERAGES of this Policy, for the TIME ELEMENT COVERAGE EXTENSIONS described below.

SUPPLY CHAIN TIME ELEMENT COVERAGE EXTENSIONS

A. CIVIL AUTHORITY

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY if an order of civil authority prohibits access to the Insured Location provided such order is the direct result of physical damage of the type insured against under this Policy at the Insured Location or within five statute miles of it.

The PERIOD OF LIABILITY for this TIME ELEMENT COVERAGE EXTENSION will be:

The period of time:

- 1) starting at the time of such physical damage; but
- 2) not to exceed 30 consecutive days,

this period of time is part of and not in addition to any PERIOD OF LIABILITY applying to any coverage provided in the TIME ELEMENT section.

However this Extension does not apply to LEASEHOLD INTERESTS.

B. CONTINGENT TIME ELEMENT EXTENDED

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type insured to property of the type insured at Contingent Time Element Locations located within the TERRITORY of this Policy.

- 1) As respects CONTINGENT TIME ELEMENT EXTENDED:
 - a) The Insured will influence and cooperate with the Contingent Time Element Location in every way and take any reasonable and necessary action, including the use of other machinery, supplies or locations, to effect mitigation of the loss payable hereunder.
 - b) In determining the indemnity payable hereunder, the Company will consider the amount of income derived before the date of physical loss or damage and the probable amount of income after the date of loss or damage.
 - c) TIME ELEMENT EXCLUSIONS C does not apply.



- 2) CONTINGENT TIME ELEMENT EXTENDED Exclusions: As respects CONTINGENT TIME ELEMENT EXTENDED, the following additional exclusions apply:

This Policy does not insure loss resulting from:

- a) lack of incoming or outgoing transmission of voice, data or video.
- b) physical loss or damage caused by or resulting from Terrorism, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence of loss.

- 3) References and Application. The following term(s) wherever used in this Policy means:

- a) Contingent Time Element Location:

- (i) Any Location:

- (a) of a direct customer, supplier, contract manufacturer or contract service provider to the Insured.

- (b) of any company under a royalty, licensing fee or commission agreement with the Insured.

- (ii) Any Location of a company that is a direct or indirect customer, supplier, contract manufacturer or contract service provider to a Location described in a)(i) above.

- (iii) A Contingent Time Element Location does not include Locations of any company directly or indirectly supplying to, or receiving from, the Insured, electricity, fuel, gas, water, steam, refrigeration, sewage, voice, data or video.

C. INGRESS/EGRESS

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured due to the necessary interruption of the Insured's business due to physical prevention of ingress to or egress from an Insured Location, whether or not the premises or property of the Insured is damaged, provided that such prevention is a direct result of physical damage of the type insured by this Policy, to the kind of property not excluded by this Policy.

INGRESS/EGRESS Exclusions: As respects INGRESS/EGRESS, the following exclusions are applicable:

This Policy does not insure loss resulting from:

- 1) lack of incoming or outgoing service consisting of electric, fuel, gas, water, steam, refrigerant, sewerage and voice, data or video.



- 2) picketing or other action by strikers except for physical damage not excluded by this Policy.
- 3) physical loss or damage caused by or resulting from Terrorism, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss.

This Policy does not provide coverage under this Extension for more than the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.

D. LOGISTICS EXTRA COST

This Policy covers the Extra Cost incurred by the Insured during the PERIOD OF LIABILITY due to the disruption of the Normal movement of goods or materials:

- 1) directly between Insured Locations; or
- 2) directly between an Insured Location and a Location of a direct customer, supplier, contract manufacturer or contract service provider to the Insured,

provided that such disruption is a direct result of physical loss or damage of the type insured by this Policy to the kind of property not excluded by this Policy located within the TERRITORY of this Policy.

- 1) Measurement of Loss:

The recoverable Extra Cost loss will be the reasonable and necessary extra costs incurred by the Insured of the following:

- a) Extra costs to temporarily continue as nearly Normal as practicable the movement of goods or materials.
- 2) This Extension of coverage will apply when the PERIOD OF LIABILITY is in excess of the time shown as the Waiting Period in the WAITING PERIOD clause of the DECLARATIONS section.
- 3) LOGISTICS EXTRA COST Exclusions: As respects LOGISTICS EXTRA COST, the following are also excluded:
 - a) Disruption in the movement of goods or materials between Contingent Time Element Locations.
 - b) Disruption of incoming or outgoing services consisting of electricity, gas, fuel, steam, water, refrigeration, sewerage and voice, data or video.
 - c) Any loss of income.



- d) Costs that normally would have been incurred in conducting the business during the same period had there been no disruption of Normal movement of goods or materials.
- e) Cost of permanent repair or replacement of property that has been damaged or destroyed.
- f) Any expense recoverable elsewhere in this Policy.
- g) Disruption caused by or resulting from Terrorism, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss.
- h) Disruption caused by physical loss or damage to personal property of the Insured while in transit.

4) The PERIOD OF LIABILITY for this TIME ELEMENT COVERAGE EXTENSION will be:

The period of time:

- a) starting at the time of physical loss or damage causing the disruption of the Normal movement of goods or materials between the Insured Locations; or directly between the Insured Location and the Location of the direct customer, supplier, contract manufacturer or contract service provider to the Insured, and
- b) ending not later than:
 - (i) when with due diligence and dispatch the Normal movement of goods or materials between the Insured Locations; or directly between the Insured Location and the Location of the direct customer, supplier, contract manufacturer or contract service provider to the Insured could be resumed; or
 - (ii) the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.

5) Reference and Application. The following term means:

a) Normal:

The condition that would have existed had no physical loss or damage causing disruption occurred.

b) Normal Cost:

As used in the LIMITS OF LIABILITY clause, the cost associated with the movement of goods or materials suffering the disruption that the Insured would have incurred had no physical loss or damage causing disruption occurred.



E. SERVICE INTERRUPTION TIME ELEMENT

- 1) This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the Period of Service Interruption at Insured Locations when the loss is caused by the interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service or from the lack of transmission of incoming or outgoing voice, data or video services by reason of any accidental event at the facilities of the supplier of such service located within this Policy's TERRITORY, that immediately prevents in whole or in part the delivery of such usable services.
- 2) This Extension will apply when the Period of Service Interruption is in excess of the time shown as Waiting Period in the WAITING PERIOD clause of the DECLARATIONS section.
- 3) The exclusions in the EXCLUSIONS clause of the PROPERTY DAMAGE section do not apply to SERVICE INTERRUPTION TIME ELEMENT coverage except for:
 - a) A1, A2, A3, A6, B1, B2, B5, and
 - b) D1 except with respect to fungus, mold or mildew.

In addition, as respects SERVICE INTERRUPTION TIME ELEMENT coverage the following exclusion applies:

This Policy excludes loss or damage directly or indirectly caused by or resulting from the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss:

- a) the interruption of incoming or outgoing voice, data or video service as the result of an accidental event or physical damage to a satellite.
 - b) Terrorism.
- 4) Additional General Provisions:
- a) The Insured will immediately notify the suppliers of services of any interruption of such services.
 - b) The Company will not be liable if the interruption of such services is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has for the supply of such specified services.
- 5) References and Application. The following term(s) means:
- a) Period of Service Interruption:
 - (i) The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be



wholly restored and the Location receiving the service could or would have resumed normal operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the PERIOD OF LIABILITY clause in this section.

(ii) The Period of Service Interruption is limited to only those hours during which the Insured would or could have used service(s) if it had been available.

(iii) The Period of Service Interruption does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).

ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS

A. COMPUTER SYSTEMS—NON PHYSICAL DAMAGE

- 1) This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the Period of Interruption directly resulting from the failure of the Insured's Electronic Data Processing Equipment or Media to operate, provided such failure is the direct result of a malicious act directed at the NAMED INSURED.
- 2) This Extension of coverage will apply when the Period of Interruption is in excess of the time shown as Waiting Period in the WAITING PERIOD clause of the DECLARATIONS section.
- 3) References and Application. The following term(s) means:
 - a) Period of Interruption:
 - (i) The period starting when the Insured's Electronic Data Processing Equipment or Media fails to operate and ending when with due diligence and dispatch, the Insured's Electronic Data Processing Equipment or Media could be restored to the same or equivalent operating condition that existed prior to the failure.
 - (ii) The Period of Interruption does not include the additional time to make changes to the Insured's Electronic Data Processing Equipment or Media.

B. DELAY IN START UP

GROSS EARNINGS or GROSS PROFIT and EXTRA EXPENSE are extended to cover the Actual Loss Sustained incurred by the Insured during the PERIOD OF LIABILITY due to the reasonable and necessary delay in start up of the business operations directly resulting from physical loss or damage of the type insured to insured property under construction at an Insured Location or property covered by OFF PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION.



C. EXTENDED PERIOD OF LIABILITY

The GROSS EARNINGS coverage is extended to cover the reduction in sales resulting from:

- 1) the interruption of business as covered by GROSS EARNINGS;
- 2) for such additional length of time as would be required with the exercise of due diligence and dispatch to restore the Insured's business to the condition that would have existed had no loss occurred; and
- 3) commencing with the date on which the liability of the Company for loss resulting from interruption of business would terminate if this Extension had not been included herein.

However, this Extension does not apply to GROSS EARNINGS loss resulting from physical loss or damage caused by or resulting from Terrorism.

EXTENDED PERIOD OF LIABILITY Exclusions: As respects EXTENDED PERIOD OF LIABILITY, the TIME ELEMENT EXCLUSIONS B of this section does not apply and the following applies instead:

This Policy does not insure against any increase in loss due to fines or damages for breach of contract or for late or noncompletion of orders, or penalties of any nature.

Coverage under this Extension for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the extended period of liability.

Coverage under this Extension does not apply for more than the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.

D. INTERRUPTION BY COMMUNICABLE DISEASE EXPENSE

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY if an order of an authorized governmental agency prohibits access to an insured Healthcare Facility provided:

- 1) that there is an actual presence of communicable disease at the insured Healthcare Facility beyond that area where such disease is normally present at the insured Healthcare Facility, and
- 2) such order is the direct result of the enforcement of any law or ordinance regulating the actual not suspected spread of communicable disease at the insured Healthcare Facility.

INTERRUPTION BY COMMUNICABLE DISEASE EXPENSE Exclusions: As respects INTERRUPTION BY COMMUNICABLE DISEASE EXPENSE, the following additional exclusions apply:

This Policy does not insure loss resulting from:



- 1) the enforcement of any law or ordinance with which the Insured was legally obligated to comply prior to the time of the actual spread of communicable disease.
- 2) loss or damage caused by or resulting from Terrorism, regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any sequence of loss.

The PERIOD OF LIABILITY for this TIME ELEMENT EXTENSION will be:

The period of time:

- 1) starting at the time of the actual spread of communicable disease, and
- 2) ending not later than the number of consecutive days shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section.

This period of time is part of and not in addition to any PERIOD OF LIABILITY applying to any coverage provided in the TIME ELEMENT section.

References and Application. The following term(s) mean(s):

Healthcare Facility:

Facility where medicine is practiced.

E. ON PREMISES SERVICES

This Policy covers the Actual Loss Sustained and EXTRA EXPENSE incurred by the Insured during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type insured to the following property located within 1,000 feet of the Insured Location:

- 1) Electrical equipment and equipment used for the transmission of voice, data or video.
- 2) Electrical, fuel, gas, water, steam, refrigeration, sewerage, voice, data or video transmission lines.

F. PROTECTION AND PRESERVATION OF PROPERTY – TIME ELEMENT

This Policy covers the Actual Loss Sustained by the Insured for a period of time not to exceed 48 hours prior to and 48 hours after the Insured first taking reasonable action for the temporary protection and preservation of property insured by this Policy provided such action is necessary to prevent immediately impending physical loss or damage insured by this Policy at such insured property.

This Extension does not cover the Actual Loss Sustained by the Insured to temporarily protect or preserve insured property from actual, or to prevent immediately impending,



physical loss or damage covered by TERRORISM coverage as provided in the PROPERTY DAMAGE section.

This Extension is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

G. RELATED REPORTED VALUES

If reported TIME ELEMENT values include:

- 1) locations used by the Insured (such as branch stores, sales outlets and other plants) but not listed on a schedule under this Policy; and
- 2) a TIME ELEMENT loss would result at such locations,
- 3) from insured physical loss or damage at an Insured Location,

then this Policy provides coverage for such resulting TIME ELEMENT loss in accordance with the coverage applicable at such Insured Location.

H. RESEARCH AND DEVELOPMENT

The GROSS EARNINGS and GROSS PROFIT coverages are extended to insure the Actual Loss Sustained by the Insured of continuing fixed charges and ordinary payroll directly attributable to the interruption of research and development activities, that in themselves would not have produced income during the PERIOD OF LIABILITY.

The PERIOD OF LIABILITY for this TIME ELEMENT COVERAGE EXTENSION will be the period from the time of direct physical loss or damage of the type insured by this Policy to the time when the property could be repaired or replaced and made ready for operations, but not to be limited by the date of expiration of this Policy.

I. SOFT COSTS

This Policy covers the Actual Loss Sustained incurred by the Insured of Soft Costs during the PERIOD OF LIABILITY arising out of the delay of completion of buildings and additions under construction directly resulting from physical loss or damage of the type insured to insured property under construction at an Insured Location.

- 1) References and Application. The following term(s) wherever used in this Policy means:

- a) Soft Costs:

Expenses over and above normal expenses at Locations undergoing renovation or in the course of construction limited to the following:

- (i) Construction loan fees - the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including; the cost to arrange refinancing, accounting work necessary to restructure financing, legal



work necessary to prepare new documents, charges by the lenders for the extension or renewal of loans necessary.

- (ii) Commitment fees, leasing and marketing expenses - The cost of returning any commitment fees received from prospective tenant(s) or purchaser(s), the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s).
- (iii) Additional fees - for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction.
- (iv) Carrying costs - property taxes, building permits, additional interest on loans, realty taxes and insurance premiums.

4. PERIOD OF LIABILITY

A. The PERIOD OF LIABILITY applying to all TIME ELEMENT COVERAGES, except GROSS PROFIT and LEASEHOLD INTEREST and as shown below or if otherwise provided under any TIME ELEMENT COVERAGE EXTENSION, and subject to any Time Limit provided in the LIMITS OF LIABILITY clause in the DECLARATIONS section, is as follows:

1) For building and equipment, the period:

- a) starting from the time of physical loss or damage of the type insured against; and
- b) ending when with due diligence and dispatch the building and equipment could be:
 - (i) repaired or replaced; and
 - (ii) made ready for operations,under the same or equivalent physical and operating conditions that existed prior to the damage.

c) not to be limited by the expiration of this Policy.

2) For building and equipment under construction:

- a) the equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no physical damage happened; and
- b) due consideration will be given to the actual experience of the business compiled after completion of the construction and startup.

3) For stock-in-process and mercantile stock, including finished goods not manufactured by the Insured, the time required with the exercise of due diligence and dispatch:



- a) to restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and
- b) to replace physically damaged mercantile stock.

This item does not apply to RENTAL INSURANCE.

- 4) For raw materials and supplies, the period of time:
 - a) of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but
 - b) limited to that period for which the damaged raw materials and supplies would have supplied operating needs.
- 5) If water:
 - a) used for any manufacturing purpose, including but not limited to as a raw material or for power;
 - b) stored behind dams or in reservoirs; and
 - c) on any Insured Location,

is released as the result of physical damage of the type insured against under this Policy to such dam, reservoir or connected equipment, the Company's liability for the actual interruption of production or suspension of operations or services due to inadequate water supply will not extend beyond 30 consecutive days after the damaged dam, reservoir or connected equipment has been repaired or replaced.

This item does not apply to RENTAL INSURANCE.

- 6) For physically damaged exposed films, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

This item does not apply to RENTAL INSURANCE.

- 7) For physically damaged or destroyed property covered under DATA, PROGRAMS OR SOFTWARE, the time to recreate or restore including the time for researching or engineering lost information.

This item does not apply to RENTAL INSURANCE.

B. The PERIOD OF LIABILITY applying to GROSS PROFIT is as follows:



- 1) The period:
 - a) starting from the time of physical loss or damage of the type insured against; and
 - b) ending not later than the period of time shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section,

during which period the results of the business shall be directly affected by such damage.
 - c) not to be limited by the expiration of this Policy.

- 2) For property under construction, the period:
 - a) starting on the date that production, business operation or service would have commenced if physical damage of the type insured against had not happened; and
 - b) ending not later than the period of time shown in the LIMITS OF LIABILITY clause of the DECLARATIONS section,

during which period the results of the business shall be directly affected by such damage.
 - c) not to be limited by the expiration of this Policy.

The Rate of Gross Profit and Standard Sales will be based on the experience of the business after construction is completed and the probable experience during the PERIOD OF LIABILITY.

- C. The PERIOD OF LIABILITY does not include any additional time due to the Insured's inability to resume operations for any reason, including but not limited to:
 - 1) making changes to equipment.
 - 2) making changes to the buildings or structures except as provided in the DEMOLITION AND INCREASED COST OF CONSTRUCTION clause in the PROPERTY DAMAGE section.
 - 3) restaffing or retraining employees.

If two or more Periods of Liability apply such periods will not be cumulative.

5. TIME ELEMENT EXCLUSIONS

In addition to the exclusions elsewhere in this Policy, the following exclusions apply to TIME ELEMENT loss:

This Policy does not insure against:



- A. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:
 - 1) physical loss or damage not insured by this Policy on or off of the Insured Location.
 - 2) planned or rescheduled shutdown.
 - 3) strikes or other work stoppage.
 - 4) any other reason other than physical loss or damage insured by this Policy.

- B. Any increase in loss due to:
 - 1) suspension, cancellation or lapse of any lease, contract, license or orders.
 - 2) fines or damages for breach of contract or for late or noncompletion of orders.
 - 3) for penalties of any nature.
 - 4) any other consequential or remote loss.

- C. Any loss resulting from loss or damage to finished goods manufactured by the Insured, nor the time required for their reproduction.

- D. Any loss resulting from the Actual Cash Value portion of direct physical loss or damage by fire caused by or resulting from Terrorism.



LOSS ADJUSTMENT AND SETTLEMENT - SECTION D

1. LOSS ADJUSTMENT/PAYABLE

Loss, if any, will be adjusted with and payable to Provena Health, or as may be directed by Provena Health. Additional insured interests will also be included in loss payment as their interests may appear when named as additional named insured, lender, mortgagee and/or loss payee in the Certificates of Insurance on file with the Company or named below.

2. CURRENCY FOR LOSS PAYMENT

Losses will be adjusted and paid in the currency of the United States of America. But, in Canada losses will be paid in Canadian currency, unless directed otherwise by the Insured.

3. VALUATION

Adjustment of the physical loss amount under this Policy will be computed as of the date of loss at the location of the loss, and for no more than the interest of the Insured, subject to the following:

- A. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.
- B. On finished goods manufactured by the Insured, the regular cash selling price at the Location where the loss happens, less all discounts and charges to which the finished goods would have been subject had no loss happened.
- C. On raw materials, supplies and other merchandise not manufactured by the Insured:
 - 1) if repaired or replaced, the actual expenditure incurred in repairing or replacing the damaged or destroyed property; or
 - 2) if not repaired or replaced, the Actual Cash Value.
- D. On exposed films, records, manuscripts and drawings, that are not Valuable Papers and Records, the value blank plus the cost of copying information from back-up or from originals of a previous generation. These costs will not include research, engineering or any costs of restoring or recreating lost information.
- E. On property covered under DEFERRED PAYMENTS, the lesser of the:
 - 1) total amount of unpaid installments less finance charges.
 - 2) Actual Cash Value of the property at the time of loss.
 - 3) cost to repair or replace with material of like size, kind and quality.



F. On FINE ARTS articles, the lesser of:

- 1) the reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss.
- 2) cost to replace the article.
- 3) the value, if any, stated on a schedule on file with the Company.

In the event a Fine Arts article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, the Company will be liable for the lesser of the full value of such pair or set or the amount designated on the schedule. The Insured agrees to surrender the pair or set to the Company.

G. On property covered under DATA, PROGRAMS OR SOFTWARE:

- 1) The cost to repair, replace or restore data, programs or software including the costs to recreate, research and engineer;
- 2) If not repaired, replaced or restored within two years from the date of loss, the blank value of the media.

H. On VALUABLE PAPERS AND RECORDS, the lesser of the following:

- 1) The cost to repair or restore the item to the condition that existed immediately prior to the loss.
- 2) The cost to replace the item.
- 3) The amount designated for the item on the schedule on file with the Company.

I. On property in transit:

- 1) Property shipped to or for the account of the Insured will be valued at actual invoice to the Insured. Included in the value are accrued costs and charges legally due. Charges may include the Insured's commission as selling agent.
- 2) Property sold by the Insured and shipped to or for the purchaser's account will be valued at the Insured's selling invoice amount. Prepaid or advanced freight costs are included.
- 3) Property not under invoice will be valued:
 - a) for property of the Insured, at the valuation provisions of this Policy applying at the location from which the property is being transported; or
 - b) for other property, at the actual cash market value at the destination point on the date of loss,



less any charges saved which would have become due and payable upon arrival at destination.

- J. On RESEARCH ANIMALS, the purchase price of commercially available laboratory animals, not including any costs associated with research, engineering and/or scientific study/data.
- K. On property that is damaged by fire and such fire is the result of Terrorism, the Actual Cash Value of the fire damage loss. Any remaining fire damage loss shall be adjusted according to the terms and conditions of the VALUATION clause in this section of the Policy and shall be subject to the limit(s) of liability for TERRORISM, and if stated the limit of liability for SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT, as shown in the LIMITS OF LIABILITY clause in the DECLARATIONS section.
- L. On all other property, the loss amount will not exceed the lesser of the following:
 - 1) The cost to repair.
 - 2) The cost to rebuild or replace on the same site with new materials of like size, kind and quality.
 - 3) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss.
 - 4) The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss.
 - 5) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
 - 6) The increased cost of demolition, if any, resulting from loss covered by this Policy, if such property is scheduled for demolition.
 - 7) The unamortized value of improvements and betterments, if such property is not repaired or replaced at the Insured's expense.
 - 8) The Actual Cash Value if such property is:
 - a) useless to the Insured; or
 - b) not repaired, replaced or rebuilt on the same or another site within two years from the date of loss.

The Insured may elect not to repair or replace the insured real and/or personal property lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures



related to the Insured's operations within two years from the date of loss. As a condition of collecting under this item, such expenditure must be unplanned as of the date of loss and be made at an Insured Location under this Policy. This item does not extend to DEMOLITION AND INCREASED COST OF CONSTRUCTION.

References and Application. The following term(s) wherever used in this Policy means:

a) Actual Cash Value:

The amount it would cost to repair or replace insured property, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

4. LOSS CONDITIONS

A. REQUIREMENTS IN CASE OF LOSS

The Insured will:

- 1) give immediate written notice to the Company of any loss.
- 2) protect the property from further loss or damage.
- 3) promptly separate the damaged and undamaged property; put it in the best possible order; and furnish a complete inventory of the lost, destroyed, damaged and undamaged property showing in detail the quantities, costs, Actual Cash Value, replacement value and amount of loss claimed.
- 4) give a signed and sworn proof of loss to the Company within 90 days after the loss, unless that time is extended in writing by the Company. The proof of loss must state the knowledge and belief of the Insured as to:
 - a) the time and origin of the loss.
 - b) the Insured's interest and that of all others in the property.
 - c) the Actual Cash Value and replacement value of each item and the amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the property.
 - d) any changes in the title, use, occupation, location, possession or exposures of the property since the effective date of this Policy.
 - e) by whom and for what purpose any location insured by this Policy was occupied on the date of loss, and whether or not it then stood on leased ground.
- 5) include a copy of all the descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged.



- 6) further, the Insured, will as often as may be reasonably required:
- a) exhibit to any person designated by the Company all that remains of any property;
 - b) submit to examination under oath by any person designated by the Company and sign the written records of examinations; and
 - c) produce for examination at the request of the Company:
 - (i) all books of accounts, business records, bills, invoices and other vouchers; or
 - (ii) certified copies if originals are lost,
- at such reasonable times and places that may be designated by the Company or its representative and permit extracts and machine copies to be made.

B. COMPANY OPTION

The Company has the option to take all or any part of damaged property at the agreed or appraised value. The Company must give notice to the Insured of its intention to do so within 30 days after receipt of proof of loss.

C. ABANDONMENT

There may be no abandonment of any property to the Company.

D. SUBROGATION

The Insured is required to cooperate in any subrogation proceedings. The Company may require from the Insured an assignment or other transfer of all rights of recovery against any party for loss to the extent of the Company's payment.

The Company will not acquire any rights of recovery that the Insured has expressly waived prior to a loss, nor will such waiver affect the Insured's rights under this Policy.

Any recovery from subrogation proceedings, less costs incurred by the Company in such proceedings, will be payable to the Insured in the proportion that the amount of:

- 1) any applicable deductible; and/or
- 2) any provable uninsured loss,

bears to the entire provable loss amount.



E. APPRAISAL

If the Insured and the Company fail to agree on the amount of loss, each will, on the written demand of either, select a competent and disinterested appraiser after:

- 1) the Insured has fully complied with all provisions of this Policy, including REQUIREMENTS IN CASE OF LOSS; and
- 2) the Company has received a signed and sworn proof of loss from the Insured.

Each will notify the other of the appraiser selected within 20 days of such demand.

The appraisers will first select a competent and disinterested umpire. If the appraisers fail to agree upon an umpire within 30 days then, on the request of the Insured or the Company, the umpire will be selected by a judge of a court of record in the jurisdiction in which the appraisal is pending. The appraisers will then appraise the amount of loss, stating separately the Actual Cash Value and replacement cost value as of the date of loss and the amount of loss, for each item of physical loss or damage or if, for TIME ELEMENT loss, the amount of loss for each TIME ELEMENT coverage of this Policy.

If the appraisers fail to agree, they will submit their differences to the umpire. An award agreed to in writing by any two will determine the amount of loss.

The Insured and the Company will each:

- 1) pay its chosen appraiser; and
- 2) bear equally the other expenses of the appraisal and umpire.

A demand for APPRAISAL shall not relieve the Insured of its continuing obligation to comply with the terms and conditions of this Policy, including as provided under REQUIREMENTS IN CASE OF LOSS.

The Company will not be held to have waived any of its rights by any act relating to appraisal.

F. SUIT AGAINST THE COMPANY

No suit, action or proceeding for the recovery of any claim will be sustained in any court of law or equity unless:

- 1) the Insured has fully complied with all the provisions of this Policy; and
- 2) legal action is started within twelve months after inception of the loss.

If under the insurance laws of the jurisdiction in which the property is located, such twelve months' limitation is invalid, then any such legal action needs to be started within the shortest limit of time permitted by such laws.



5. SETTLEMENT OF CLAIMS

The amount of loss, except for ACCOUNTS RECEIVABLE coverage, for which the Company may be liable will be paid within 30 days after:

- A. proof of loss as described in this Policy is received by the Company; and
- B. when a resolution of the amount of loss is made either by:
 - 1) written agreement between the Insured and the Company; or
 - 2) the filing with the Company of an award as provided in the APPRAISAL clause of this section.

6. COLLECTION FROM OTHERS

The Company will not be liable for any loss to the extent that the Insured has collected for such loss from others.

7. PARTIAL PAYMENT OF LOSS SETTLEMENT

In the event of a loss occurring which has been ascertained to be insured loss or damage under this Policy and determined by the Company's representatives to be in excess of the applicable Policy deductible, the Company will advance mutually agreed upon partial payment(s) on the insured loss or damage, subject to the Policy's provisions. To obtain said partial payments, the Insured will submit a signed and sworn Proof of Loss as described in this Policy, with adequate supporting documentation.



GENERAL PROVISIONS - SECTION E

1. ADDITIONAL INSURABLE INTERESTS/CERTIFICATES OF INSURANCE

Additional insured interests are automatically added to this Policy as their interest may appear when named as additional named insured, lender, mortgagee and/or loss payee in the Certificates of Insurance on a schedule on file with the Company. Such interests become effective on the date shown in the Certificate of Insurance and will not amend, extend or alter the terms, conditions, provisions and limits of this Policy.

2. CANCELLATION/NON-RENEWAL

This Policy may be:

- A. cancelled at any time at the request of the Insured by surrendering this Policy to the Company or by giving written notice to the Company stating when such cancellation will take effect; or
- B. cancelled by the Company by giving the Insured not less than:
 - 1) 90 days' written notice of cancellation; or
 - 2) 10 days' written notice of cancellation if the Insured fails to remit, when due, payment of premium for this Policy; or
- C. non-renewed by the Company by giving the Insured not less than 60 days' written notice of non-renewal.

Return of any unearned premium will be calculated on the customary short rate basis if the Insured cancels and on a pro-rata basis if the Company cancels this Policy. Return of any unearned premium will be made by the Company as soon as practicable.

3. INSPECTIONS

The Company, at all reasonable times, will be permitted, but will not have the duty, to inspect insured property.

The Company's:

- A. right to make inspections;
- B. making of inspections; or
- C. analysis, advice or inspection report,

will not constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that the insured property is safe or healthful. This Company will have no liability to the Insured or any other person because of any inspection or failure to inspect.



When the Company is not providing jurisdictional inspections, the Owner/Operator has the responsibility to assure that jurisdictional inspections are performed as required, and to assure that required jurisdictional Operating Certificates are current for their pressure equipment.

4. PROVISIONS APPLICABLE TO SPECIFIC JURISDICTIONS

- A. If the provisions of this Policy conflict with the laws of any jurisdictions in which this Policy applies, and if certain provisions are required by law to be stated in this Policy, this Policy will be read so as to eliminate such conflict or deemed to include such provisions for Insured Locations within such jurisdictions.
- B. The Company will provide to the Insured copies of endorsements mandated for use by the laws of provinces in Canada. The endorsements modify this Policy with respect to any insured property located in the province in which the endorsement applies.
- C. The Company will provide to the Insured copies of endorsements mandated for use by the laws of states in the United States of America. The endorsements modify this Policy with respect to any insured property located in the state in which the endorsement applies.
- D. As respects the United States, its territories and possessions and the Commonwealth of Puerto Rico, the definition of Terrorism contained in item B2f of the EXCLUSIONS clause in the PROPERTY DAMAGE section of this Policy is declared null and void and it is agreed that an event defined as a Certified Act of Terrorism under the terms of the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT attached to this Policy shall be considered an act of Terrorism within the terms of this Policy. Coverage recoverable under the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT is excluded from any other coverage under this Policy. Any difference in limit between loss recoverable under the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT and this Policy is not recoverable under this Policy.

5. LIBERALIZATION

If during the period that insurance is in force under this Policy, any filed rules or regulations affecting the same are revised by statute so as to broaden the insurance without additional premium charge, such extended or broadened insurance will inure to the benefit of the Insured within such jurisdiction, effective the date of the change specified in such statute.

6. MISREPRESENTATION AND FRAUD

This entire Policy will be void if, whether before or after a loss, an Insured has:

- A. willfully concealed or misrepresented any material fact or circumstance concerning this insurance, the subject thereof, any insurance claim, or the interest of an Insured.
- B. made any attempt to defraud the Company.
- C. made any false swearing.



7. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS

- A. The Company will pay for loss to specified property insured under this Policy to each specified Lender Loss Payee (hereinafter referred to as Lender) as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such property, in order of precedence of the mortgages.
- B. The interest of the Lender or Mortgagee (as the case may be) in property insured under this Policy will not be invalidated by:
 - 1) any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
 - 2) foreclosure, notice of sale, or similar proceedings with respect to the property.
 - 3) change in the title or ownership of the property.
 - 4) change to a more hazardous occupancy.

The Lender or Mortgagee will notify the Company of any known change in ownership, occupancy, or hazard and, within 10 days of written request by the Company, may pay the increased premium associated with such known change. If the Lender or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

- C. If this Policy is cancelled at the request of the Insured or its agent, the coverage for the interest of the Lender or Mortgagee will terminate 10 days after the Company sends to the Lender or Mortgagee written notice of cancellation, unless:
 - 1) sooner terminated by authorization, consent, approval, acceptance, or ratification of the Insured's action by the Lender or Mortgagee, or its agent.
 - 2) this Policy is replaced by the Insured, with a policy providing coverage for the interest of the Lender or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement policy, notwithstanding any other provision of this Policy.
- D. The Company may cancel this Policy and/or the interest of the Lender or Mortgagee under this Policy, by giving the Lender or Mortgagee written notice 60 days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, the Company may cancel this Policy for such non-payment, but will give the Lender or Mortgagee written notice 10 days prior to the effective date of cancellation. If the Lender or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.
- E. The Company has the right to invoke this Policy's SUSPENSION clause. The suspension of insurance will apply to the interest of the Lender or Mortgagee in any machine, vessel, or part of any machine or vessel, subject to the suspension. The Company will provide the Lender or Mortgagee at the last known address a copy of the suspension notice.



- F. If the Company pays the Lender or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, the Company will, to the extent of the payment made to the Lender or Mortgagee be subrogated to the rights of the Lender or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Lender or Mortgagee to sue or recover the full amount of its claim. At its option, the Company may pay to the Lender or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Lender or Mortgagee to the Company, and the remaining debt or mortgage will be paid to the Company.
- G. If the Insured fails to render proof of loss, the Lender or Mortgagee, upon notice of the Insured's failure to do so, will render proof of loss within 60 days of notice and will be subject to the provisions of this Policy relating to APPRAISAL, SETTLEMENT OF CLAIMS, and SUIT AGAINST THE COMPANY.
- H. Other provisions relating to the interests and obligations of the Lender or Mortgagee may be added to this Policy by agreement in writing.

8. OTHER INSURANCE

- A. If there is any other insurance that would apply in the absence of this Policy, this Policy will apply only after such insurance whether collectible or not.
- B. In no event will this Policy apply as contributing insurance.
- C. The Insured is permitted to have other insurance over any limits or sublimits of liability specified elsewhere in this Policy without prejudice to this Policy. The existence of any such insurance will not reduce any limit or sublimit of liability in this Policy. Any other insurance that would have provided primary coverage in the absence of this Policy will not be considered excess.
- D. The Insured is permitted to have other insurance for all, or any part, of any deductible in this Policy. The existence of such other insurance will not prejudice recovery under this Policy. If the limits of liability of such other insurance are greater than this Policy's applicable deductible, this Policy's insurance will apply only after such other insurance has been exhausted.
- E. In the event this Policy is deemed to contribute with other insurance, the limit of liability applicable at each Location, for purposes of such contribution with other insurers, will be the latest amount described in this Policy or the latest Location value on file with the Company.

9. POLICY MODIFICATION

This Policy contains all of the agreements between the Insured and the Company concerning this insurance. The Insured and the Company may request changes to this Policy. This Policy can be changed only by endorsements issued by the Company and made a part of this Policy.

Notice to any agent or knowledge possessed by any agent or by any other person will not:



- A. create a waiver, or change any part of this Policy; or
- B. prevent the Company from asserting any rights under the provisions of this Policy.

10. REDUCTION BY LOSS

Claims paid under this Policy will not reduce its' limit of liability, except claims paid will reduce any Policy Year Aggregate Limit of Liability.

11. SUSPENSION

On discovery of a dangerous condition, the Company may immediately suspend this insurance on any machine, vessel or part thereof by giving written notice to the Insured. The suspended insurance may be reinstated by the Company. Any unearned premium resulting from such suspension will be returned by the Company.

12. TITLES

The titles in this Policy are only for reference. The titles do not in any way affect the provisions of this Policy.



NEW MADRID SEISMIC ZONE, APPENDIX A

Arkansas, counties of:

Arkansas, Ashley, Chicot, Clay, Craighead, Crittenden, Cross, Desha, Drew, Fulton, Grant, Greene, Independence, Izard, Jackson, Jefferson, Lawrence, Lee, Lincoln, Lonoke, Mississippi, Monroe, Phillips, Poinsett, Prairie, Pulaski, Randolph, Saline, Sharp, St. Francis, White, Woodruff

Illinois, counties of:

Alexander, Bond, Calhoun, Christian, Clark, Clay, Clinton, Coles, Crawford, Cumberland, Edwards, Effingham, Fayette, Franklin, Gallatin, Greene, Hamilton, Hardin, Jackson, Jasper, Jefferson, Jersey, Johnson, Lawrence, Macoupin, Madison, Marion, Massac, Monroe, Montgomery, Morgan, Perry, Pike, Pope, Pulaski, Randolph, Richland, Saline, Sangamon, Scott, Shelby, St. Clair, Union, Wabash, Washington, Wayne, White, Williamson

Indiana, counties of:

Crawford, Daviess, Dubois, Gibson, Greene, Knox, Lawrence, Martin, Orange, Perry, Pike, Posey, Spencer, Sullivan, Vanderburgh, Warrick

Kentucky, counties of:

Ballard, Breckinridge, Butler, Caldwell, Calloway, Carlisle, Christian, Crittenden, Daviess, Fulton, Graves, Hancock, Henderson, Hickman, Hopkins, Livingston, Logan, Lyon, Marshall, McCracken, McLean, Muhlenberg, Ohio, Simpson, Todd, Trigg, Union, Warren, Webster

Mississippi, counties of:

Alcorn, Benton, Bolivar, Calhoun, Carroll, Chickasaw, Choctaw, Clay, Coahoma, De Soto, Grenada, Holmes, Humphreys, Issaquena, Itawamba, Lafayette, Lee, Leflore, Lowndes, Marshall, Monroe, Montgomery, Oktibbeha, Panola, Pontotoc, Prentiss, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tippah, Tishomingo, Tunica, Union, Warren, Washington, Webster, Yalobusha, Yazoo

Missouri, counties of:

Audrain, Bollinger, Butler, Callaway, Cape Girardeau, Carter, Cole, Crawford, Dent, Dunklin, Franklin, Gasconade, Howell, Iron, Jefferson, Lincoln, Madison, Maries, Marion, Miller, Mississippi, Montgomery, New Madrid, Oregon, Osage, Pemiscot, Perry, Phelps, Pike, Pulaski, Ralls, Reynolds, Ripley, Scott, Shannon, St. Charles, St. Francois, St. Louis, St. Louis City, Ste. Genevieve, Stoddard, Texas, Warren, Washington, Wayne

Tennessee, counties of:

Benton, Carroll, Cheatham, Chester, Crockett, Decatur, Dickson, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Hickman, Houston, Humphreys, Lake, Lauderdale, Lawrence, Lewis, Madison, McNairy, Montgomery, Obion, Perry, Robertson, Shelby, Stewart, Tipton, Wayne, Weakley



Account No. 1-51886
Policy No. FD292

PACIFIC NORTHWEST SEISMIC ZONE, APPENDIX B

Oregon, counties of:

Benton, Clackamas, Clatsop, Columbia, Coos, Curry, Douglas, Jackson, Josephine, Klamath, Lake, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Tillamook, Washington, Yamhill

Washington, counties of:

Chelan, Clallam, Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, Whatcom

British Columbia (includes Vancouver Island):

South of 50° N latitude and west of 120° W longitude



NORTHEAST WIND AREA, APPENDIX C

Connecticut, counties of:

Fairfield, New Haven, Middlesex, New London

Delaware, county of:

Sussex

Maine, counties of:

Androscoggin, Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington, York

Maryland, counties of:

Calvert, Charles, Dorchester, St. Mary's, Somerset, Wicomico, Worcester

Massachusetts, counties of:

Barnstable, Bristol, Dukes, Nantucket, Norfolk, Plymouth, Suffolk

New Hampshire, counties of:

Strafford, Rockingham

New Jersey, counties of:

Atlantic, Bergen, Cape May, Cumberland, Essex, Hudson, Middlesex, Monmouth, Ocean, Union

New York, counties of:

Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk, Westchester

Rhode Island, counties of:

Bristol, Newport, Washington, Kent, Block Island, Providence

Virginia, counties of:

Accomack, Chesapeake, Gloucester, Hampton, Isle of Wight, James City, Lancaster, Matthews, Middlesex, Newport News, Norfolk, North Hampton, Northumberland, Poquoson, Portsmouth, Suffolk, Surry, Virginia Beach, York, Williamsburg



TIER I WIND AREA, APPENDIX D

Alabama, counties of:

Baldwin, Mobile

Florida, counties of:

Bay, Brevard, Broward, Calhoun, Charlotte, Citrus, Collier, Dade, Dixie, Duval, Escambia, Flagler, Franklin, Gulf, Hernando, Hillsborough, Indian River, Jefferson, Lee, Levy, Liberty, Manatee, Martin, Monroe, Nassau, Okaloosa, Palm Beach, Pasco, Pinellas, Sarasota, St. Lucie, St. Johns, Santa Rosa, Taylor, Volusia, Wakulla, Walton, Washington

Georgia, counties of:

Bryan, Camden, Chatham, Glynn, Liberty, McIntosh

Hawaii:

All islands

Louisiana, parishes of:

Assumption, Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John Baptist, St. Martin (southern portion), St. Mary, St. Tammany, Terrebonne, Vermilion

Mississippi, counties of:

Hancock, Harrison, Jackson

North Carolina, counties of:

Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Gates, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrell, Washington

Commonwealth of Puerto Rico:

Entire island

South Carolina, counties of:

Beaufort, Berkeley, Charleston, Georgetown, Horry, Jasper

Texas, counties of:

Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, Willacy



TIER II WIND AREA, APPENDIX E

Florida, counties of:

Alachua, Baker, Bradford, Clay, Columbia, DeSoto, Gadsden, Gilchrist, Glades, Hamilton, Hardee, Hendry, Highlands, Holmes, Jackson, Lafayette, Lake, Leon, Madison, Marion, Okeechobee, Orange, Osceola, Polk, Putnam, Seminole, Sumter, Suwannee, Union

Georgia, counties of:

Brantley, Charlton, Effingham, Long, Wayne

Louisiana, parishes of:

Acadia, Ascension, Calcasieu, East Baton Rouge, Iberville, Jefferson Davis, Lafayette, Livingston, St. Martin (northern portion), Tangipahoa, Washington, West Baton Rouge

Mississippi, counties of:

George, Pearl River, Stone

North Carolina, counties of:

Bladen, Columbus, Duplin, Hertford, Lenoir, Martin, Pitt

South Carolina, counties of:

Colleton, Dorchester, Williamsburg

Texas, counties of:

Bee, Brooks, Fort Bend, Goliad, Hardin, Harris, Hidalgo, Jackson, Jasper, Jim Wells, Liberty, Newton, Victoria, Wharton

**SUPPLEMENTAL UNITED STATES
CERTIFIED ACT OF TERRORISM ENDORSEMENT**

This Endorsement is applicable to all insured Locations in the United States, its territories and possessions and the Commonwealth of Puerto Rico.

Coverage for "Certified Act of Terrorism" Under The Terrorism Risk Insurance Act of 2002, as amended.

In consideration of a premium charged of USD30,900, this Policy, subject to the terms and conditions therein and in this Endorsement, covers direct physical loss or damage to insured property and any resulting TIME ELEMENT loss, as provided in the TIME ELEMENT section of the Policy, caused by or resulting from a Certified Act of Terrorism as defined herein.

Notwithstanding anything contained elsewhere in this Policy, any exclusion or limitation of terrorism in this Policy and any endorsement attached to and made a part of this Policy, is hereby amended to the effect that such exclusion or limitation does not apply to a "Certified Act of Terrorism" as defined herein. This amendment does not apply to any limit of liability for a Certified Act of Terrorism, if any, stated under the LIMITS OF LIABILITY clause of the DECLARATIONS section of this Policy.

With respect to any one or more Certified Act(s) of Terrorism, this Company will not pay any amounts for which the Company is not responsible under the terms of the Terrorism Risk Insurance Act of 2002 (including subsequent action of Congress pursuant to the Act) which includes a provision stating that if the aggregate insured losses exceed USD100,000,000,000 during any program year, neither the United States Government nor any insurer that has met its insurer deductible shall be liable for the payment of any portion of the amount of such losses that exceed USD100,000,000,000. If the aggregate insured losses for all insurers exceed USD100,000,000,000, your coverage may be reduced.

The coverage provided under this Endorsement for "Certified" losses caused by acts of terrorism will be partially reimbursed by the United States Government under a formula established by Federal Law. Under this formula, the United States pays 85% of covered terrorism losses exceeding a statutorily established retention by the insurer referenced in this Policy. The premium charged for this coverage is provided above.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Endorsement or the Policy.

The coverage provided by this Endorsement only applies to a Certified Act of Terrorism.

Reference and Application: The following term(s) means:

Certified Act of Terrorism:

A "Certified Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002 as amended and extended in 2005 and in 2007. The criteria contained in that Act for a "Certified Act of Terrorism" include the following:

- a. The act resulted in aggregate losses in excess of USD5,000,000; and
- b. The act is a violent act or an act that is dangcrous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

THE HARTFORD - PRODUCTION STATUS CENTER
HARTFORD PLAZA, NP-6-1
HARTFORD, CT 06115

83 SBA VV9319

THE HARTFORD

3600 WISEMAN BLVD.

SAN ANTONIO

TX 78251

37757

1106166A8800010*



REGIONAL OFFICE INSTRUCTION SHEET

POLICY NUMBER: 83 SBA VV9319 SA

ROUTING INSTRUCTIONS

_SEND TO RECORDS. TRANSFER CORR IF APPLICABLE.

TERMINAL ID: P4SAU01C OPER INIT: VN
06/04/10 83 SBA VV9319 SA (08/15/11) PAGE 1

POLICY FACE SHEET

19
93 INSURED:
VV HARTFORD CASUALTY INSURANCE COMPANY
SBA

POLICY NO. 83 SBA VV9319 SA

RECORDS RETENTION - PERMANENT

DECLARATIONS
ITEMS

1. NAMED INSURED AND
MAILING ADDRESS:

KANKAKEE VALLEY DIALYSIS NETWORK
D/B/A MANTENO DIALYSIS CENTRE
2100 CENTRAL AVE STE 201
BOULDER, BOULDER
CO. 80301

2. POLICY PERIOD:

08/15/10	08/15/11	1
INCEPTION	EXPIRATION	YEAR

AGENT'S CODE: 550139
AGENT'S NAME: MARSH USA INC

PREVIOUS POLICY NO. 83 SBA VV9319

3. THE NAMED INSURED IS: LIMITED LIAB CORP

POLICY STATUS: ACTIVE
LOB LEVEL OF SUPPORT: SP-S
MARKET SEGMENTATION: 890

SELECT CUSTOMER
DIRECT ACCOUNT BILL NUMBER - 12438081
DEDUCTIBLE

AUTOMATICALLY BOOKED
ABBREVIATED POLICY ISSUED
AUTOMATICALLY RENEWED

TRANS TYPE: RENL CNTL#: 001
POLICY FACE SHEET TERMINAL ID: P4SAU01C PAGE 2
06/04/10 83 SBA VV9319 SA (08/15/11)

37758

+0100083VV93190111



19 This **Spectrum Policy** consists of the Declarations, Coverage Forms, Common Policy Conditions and any
93 other Forms and Endorsements issued to be a part of the Policy. This insurance is provided by the stock
VV insurance company of The Hartford Insurance Group shown below.

SBA

INSURER: HARTFORD CASUALTY INSURANCE COMPANY
HARTFORD PLAZA, HARTFORD, CT 06115
COMPANY CODE: 3

Policy Number: 83 SBA VV9319 SA



SPECTRUM POLICY DECLARATIONS

COPY

Named Insured and Mailing Address: KANKAKEE VALLEY DIALYSIS NETWORK
(No., Street, Town, State, Zip Code) D/B/A MANTENO DIALYSIS CENTRE
2100 CENTRAL AVE STE 201
BOULDER CO 80301

Policy Period: From 08/15/10 To 08/15/11 1 YEAR
12:01 a.m., Standard time at your mailing address shown above. **Exception:** 12 noon in New Hampshire.

Name of Agent/Broker: MARSH USA INC
Code: 550139

Previous Policy Number: 83 SBA VV9319

Named Insured is: LIMITED LIAB CORP

Audit Period: NON-AUDITABLE

Type of Property Coverage: SPECIAL

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

TOTAL ANNUAL PREMIUM IS: \$1,556

Countersigned by _____
Authorized Representative Date

37759

*0100083VV93190111



SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 83 SBA VV9319

Location(s), Building(s), Business of Named Insured and Schedule of Coverages for Premises as designated by Number below.

Location: 001 **Building:** 001

PROPERTY OPTIONAL COVERAGES APPLICABLE LIMITS OF INSURANCE TO THIS LOCATION

SUPER EXTENSION OF COVERAGE FOR
MEDICAL & DENTAL OFFICES
FORM SS 40 74
THIS FORM INCLUDES MANY ADDITIONAL
COVERAGES AND EXTENSIONS OF
COVERAGES. A SUMMARY OF THE
COVERAGE LIMITS IS ATTACHED.

LIMITED FUNGI, BACTERIA OR VIRUS \$ 50,000
COVERAGE:

FORM SS 40 93
THIS IS THE MAXIMUM AMOUNT OF
INSURANCE FOR THIS COVERAGE,
SUBJECT TO ALL PROPERTY LIMITS
FOUND ELSEWHERE ON THIS
DECLARATION.
INCLUDING BUSINESS INCOME AND EXTRA
EXPENSE COVERAGE FOR:

30 DAYS

37760

*0100083VV93190111



SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 83 SBA VV9319

**PROPERTY OPTIONAL COVERAGES APPLICABLE LIMITS OF INSURANCE
TO ALL LOCATIONS**

**BUSINESS INCOME AND EXTRA EXPENSE
COVERAGES** 12 MONTHS ACTUAL LOSS SUSTAINED
**COVERAGES INCLUDES THE FOLLOWING
COVERAGES EXTENSIONS:**

ACTION OF CIVIL AUTHORITY: 30 DAYS
EXTENDED BUSINESS INCOME: 30 CONSECUTIVE DAYS

**EQUIPMENT BREAKDOWN COVERAGE
COVERAGES FOR DIRECT PHYSICAL LOSS
DUE TO:
MECHANICAL BREAKDOWN,
ARTIFICIALLY GENERATED CURRENT
AND STEAM EXPLOSION**

**THIS ADDITIONAL COVERAGE INCLUDES
THE FOLLOWING EXTENSIONS**

HAZARDOUS SUBSTANCES \$ 50,000
EXPEDITING EXPENSES \$ 50,000

**MECHANICAL BREAKDOWN COVERAGE ONLY
APPLIES WHEN BUILDING OR BUSINESS
PERSONAL PROPERTY IS SELECTED ON
THE POLICY**

IDENTITY RECOVERY COVERAGE \$ 15,000
FORM SS 41 12

SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 83 SBA VV9319

Form Numbers of Forms and Endorsements that apply:

SS 00 01 04 93	SS 00 05 12 06	SS 00 07 07 05	SS 00 08 04 05
SS 84 54 09 07	SS 01 23 09 07	SS 04 19 07 05	SS 04 22 07 05
SS 04 39 07 05	SS 04 41 04 09	SS 04 42 09 07	SS 04 44 07 05
SS 04 46 10 08	SS 04 47 04 09	SS 04 78 07 05	SS 04 80 03 00
SS 04 86 03 00	SS 40 74 09 07	SS 40 93 07 05	SS 41 12 12 07
SS 41 51 10 09	IH 10 01 09 86	SS 05 47 09 01	SS 50 57 04 05
SS 09 01 10 08	SS 09 06 10 08	SS 09 42 07 99	SS 50 19 01 08
IH 99 40 04 09	IH 99 41 04 09	SS 38 25 12 07	SS 83 76 01 08



Named Insured: KANKAKEE VALLEY DIALYSIS NETWORK

Policy Number: 83 SBA VV9319

Effective Date: 08/15/10

Expiration Date: 08/15/11

Company Name: MARSH USA INC

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

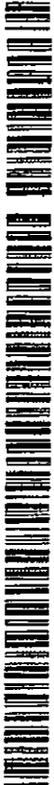
TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

All other terms and conditions remain unchanged.

37762

*0100083VV93190111



POLICY NUMBER: 83 SBA VV9319 SA EFFECTIVE DATE: 08/15/10
 MARKET SEGMENTATION: 890

COMMISSION: 20.0

LOCATION/BUILDING	RATING	DETAIL	STAT	TERR	AREA
TYPE OF POLICY	PROT	HAZ: N/A			
CD DESCRIPTION	CLASS	CONSTR	CODE		
7 OFFICE	05	2-MASONRY	65721	007	9600

YR
 BUILT
 1999

LOC 001 BLDG 001

TAX CODE: 5146
 1 E DIVISION ST, MANTENO, IL. 60950

BUSINESS PERSONAL PROPERTY	OCCPY CD 3		
	HIGH LIM CREDIT	.70/ .50	ITV 4.5 PCT
(A).360 X (CE).88 X (SC).880 = (P).279 X (BM)150,000 /			
100 + ((P).279 X (BN).70 X (BO)350,000 / 100) +			
((P).279 X ((BN).50 X (BO)192,300 / 100) + (SX)74 X			
(PD).9 =			1,300.00
SUPER EXTENSION OF COVERAGE FOR MEDICAL & DENTAL OFFICES			
(A)250 X (PD).9 =			225.00
COMMON COVERAGE INFORMATION			
TERRORISM PREMIUM			
(JS)1,525.00 X (JR).02 =			31.00
	GRAND TOTAL		1,556.00

A - BASE RATE
 BM - THRESHOLD LIMIT
 BO - BPP AMOUNT OVER THRESHOLD
 JR - TERRORISM FACTOR
 PD - PREMIUM DEVIATION
 SX - ALL RISK LOADING

P - FINAL RATE
 BN - HIGH LIM CREDIT FACTOR
 CE - CLASS FACTOR
 JS - TOTAL POLICY PREMIUM
 SC - SPRINKLER CREDIT

POLICY # 83SBAVV9319 SA CONTROL # 001 TERM ID P4SAU01C
 PROCESS DATE 06/04/10 OPER INITIALS VN AAR PREV POL # 83SBAVV9319

PRODUCER'S FACT SHEET

NAMED INSURED: KANKAKEE VALLEY DIALYSIS NETWORK
D/B/A MANTENO DIALYSIS CENTRE

POL #: 83 SBA VV9319 SA

PRODUCER'S NAME: PRODUCER'S CODE: 550139
MARSH USA INC

POL EFF DATE: 08/15/10 POL EXP DATE: 08/15/11

DIRECT ACCOUNT BILL NUMBER - 12438081

TRANSACTION TYPE: RENEWAL

TOTAL ANNUAL PREMIUM: \$1,556.00
INCLUDES TERRORISM PREMIUM \$31.00

COMMISSION BREAKDOWN

	ANNUAL PREMIUM	COMMISSION PERCENTAGE
SPECTRUM	\$1,556.00	20.0
TOTAL	\$1,556.00	

FORM	TITLE
SS 00 01 04 93	POLICY FRONT COVER
SS 00 02 12 06	SPECTRUM POLICY DECLARATIONS
SS 00 05 12 06	COMMON POLICY CONDITIONS
SS 00 07 07 05	SPECIAL PROPERTY COVERAGE FORM
SS 00 08 04 05	BUSINESS LIABILITY COVERAGE FORM
SS 84 54 09 07	SUPER EXTENSION OF COVERAGE FOR MEDICAL OFFICES SUMMARY
SS 01 23 09 07	ILLINOIS CHANGES
SS 04 19 07 05	BUSINESS INCOME EXTENSION FOR OFF-PREMISES UTILITY SERVICES
SS 04 22 07 05	FINE ARTS
SS 04 39 07 05	ACCOUNTS RECEIVABLE
SS 04 41 04 09	COMPUTERS AND MEDIA
SS 04 42 09 07	EMPLOYEE DISHONESTY COVERAGE
SS 04 44 07 05	OUTDOOR SIGNS
SS 04 46 10 08	TEMPERATURE CHANGE
SS 04 47 04 09	VALUABLE PAPERS AND RECORDS
SS 04 78 07 05	BUSINESS INCOME FROM DEPENDENT PROPERTIES
SS 04 80 03 00	CRIME COMMON CONDITIONS AND EXCLUSIONS
SS 04 86 03 00	FORGERY COVERAGE
SS 40 74 09 07	SUPER EXTENSION OF COVERAGE FOR MEDICAL OFFICES
SS 40 93 07 05	LIMITED FUNGI, BACTERIA OR VIRUS COVERAGE
SS 41 12 12 07	IDENTITY RECOVERY COVERAGE FOR BUSINESS OWNERS AND EMPLOYEES
SS 41 51 10 09	BUILDING LIMIT- AUTOMATIC INCREASE REVISION
IH 10 01 09 86	PERILS SPECIFICALLY EXCEPTED
SS 05 47 09 01	EXCLUSION - NUCLEAR ENERGY LIABILITY
SS 50 57 04 05	EXCLUSION - FUNGI, BACTERIA AND VIRUSES
G-3418-0	PRODUCER COMPENSATION NOTICE
PC-374-0	IMPORTANT NOTICE TO POLICYHOLDERS
SS 09 01 10 08	EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM (CLAIMS MADE)
SS 09 06 10 08	ILLINOIS CHANGES-EMPLOYMENT PRACTICES LIABILITY
SS 09 42 07 99	EMPLOYMENT PRACTICES - EXCLUSION - PRIOR ACTS
SS 50 19 01 08	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

PRODUCER' S FACT SHEET (CONTINUED)

POL #: 83 SBA VV9319 SA

100722REV8	DIRECT BILL INFORMATION
IH 99 40 04 09	U.S. DEPT OF THE TREASURY, OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS
IH 99 41 04 09	TRADE OR ECONOMIC SANCTIONS ENDORSEMENT
G-3187-0	IMPORTANT NOTICE TO OUR POLICYHOLDERS
SS 38 25 12 07	POLICYHOLDER NOTICE - IDENTITY RECOVERY COVERAGE
SS 38 96 10 09	POLICYHOLDER NOTICE- BUILDING LIMIT- AUTOMATIC INCREASE REVISION
SS 83 76 01 08	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

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POLICYHOLDER NOTICE - ILLINOIS

Date: 06/04/10

Policy Number: 83 SBA VV9319

Renewal Date: 08/15/10



Your Hartford Agent: MARSH USA INC
KANKAKEE VALLEY DIALYSIS NETWORK
D/B/A MANTENO DIALYSIS CENTRE
2100 CENTRAL AVE STE 201
BOULDER CO 80301

Dear Valued Hartford Insured,

Your current policy provided by The Hartford will expire shortly. The purpose of this notice is to advise you that The Hartford would like the opportunity to continue to meet your insurance needs by providing you with a policy for the upcoming policy term and to provide important information about your policy.

The information set forth below is intended to assist you in making an informed decision regarding your insurance coverage.

A. Policy Premium

The premium for your policy for the upcoming term is indicated below. This premium amount is based on the most current information known to us and may be subject to change based on any additional information you may provide to your Hartford producer.

(X) Premium Change: The premium for your renewal policy will change from that charged on your current policy.

Renewal Premium	= \$	1,556.00
Amount of Increase	= \$	112.00

B. Coverage Changes (if applicable)

As noted above we want to provide you with coverage for the upcoming policy term and this notice is our offer to do so. After our renewal review, we have determined that your renewal policy may provide coverage on a more limited basis than your present policy. The coverage restrictions are identified by an (x) below.

() Increase in Deductible to:

() Reduction in Limits to:

(X) Reduction in Coverage: SEE ATTACHED FORM SS 38 96, IMP NOTICE
TO POLICYHOLDER - BLDG LIM AUTOMATIC INCREASE REVISION

() Other:

You may receive other notices of coverage changes for the upcoming policy term under separate cover. Those changes apply in addition to the changes described above.

For almost 200 years, The Hartford has protected businesses, large and small from all types of losses. Our products and services continue to bring you the benefits of that long experience. Most importantly, with The Hartford you have a company that is there for you when you need us.

If you have any questions about your policy or about your overall insurance needs, please contact your Hartford producer. We look forward to continuing our relationship and fulfilling your insurance needs.

Thank you for your business.

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August 15, 2011

Factory Mutual Insurance Company
300 S Northwest Highway
Park Ridge, IL 60068-5872 USA
T: 847 430 7000 F: 847 430 7197 www.fmglobal.com

Mr. Kevin Rose
System Vice President,
Strategic Planning & Business Development
Provena Health
19065 Hickory Creek Drive, Suite 300
Mokena, Illinois 60448

Subject: Provena Health – 2010 Property Values

Dear Mr. Rose:

Listed below are the values we have on file for 2010.

Facility	Property Value
PUSMC	\$169,905,000
PMMC	\$335,563,000
PSJH	\$344,126,000
PCMC	\$266,810,000
PSMH	\$195,430,000
PSJMC	\$621,816,000

Regards,

Michael Weaver
Senior Account Manager
FM Global