

## EXHIBIT A

# Insurance Proposal Prepared For

### City of Hollywood

2600 Hollywood Blvd. (P.O. Box 229045)  
Hollywood, FL 33022

Presented: January 30, 2015



Jori Van der Voort  
Area Senior Vice President

Arthur J. Gallagher Risk Management Services,  
Inc.  
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[www.ajg.com](http://www.ajg.com)

# City of Hollywood

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Executive Summary and Our Team

# City of Hollywood

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## Executive Summary

On behalf of Arthur J. Gallagher Risk Management Services, Inc. and the Account Service Team, we are pleased to present our proposal for Terrorism Coverage.

This proposal includes the terms negotiated by Arthur J. Gallagher Risk Management Services, Inc. for the City. The following is a chart of our marketing efforts, our recommended program is Certain Underwriters at Lloyds of London – Option #1.  
coverage:

## Market Review

Carrier	Coverage	Limit	Premiums not including FL fees
Option #1 - Certain Underwriters at Lloyds of London	Terrorism – Property Terrorism – Liability	\$100,000,000 \$ 10,000,000	\$20,000.00 \$ 5,000.00
Option #2 - Certain Underwriters at Lloyds of London	Terrorism – Property Terrorism – Liability	\$100,000,000 \$ 5,000,000	\$20,000.00 \$ 2,000.00
Option #3 - Certain Underwriters at Lloyds of London	Terrorism – Property Terrorism – Liability	\$30,000,000 \$ 1,000,000	\$10,000.00 \$ 1,500.00
Option #5 - Lloyds of London/Hiscox	Terrorism – Property Terrorism – Liability	\$30,000,000 \$ 5,000,000	\$18,424.00 \$ 8,040.00 Indications only
Option #6 - Lloyds of London/Hiscox	Terrorism – Property Terrorism – Liability	\$30,000,000 \$ 1,000,000	\$18,424.00 \$ 1,608.00 Indications only
Option #7 - Lloyds of London /Ironshore	Terrorism – Property Terrorism – Liability	\$100,000,000 \$ 1,000,000	\$34,500.00 \$20,000.00 Indications only
Option #8 - Lloyds of London/Ironshore	Terrorism – Property Terrorism – Liability	\$30,000,000 \$ 1,000,000	\$24,500.00 \$20,000.00 Indications only

We have worked diligently to present the City the most competitive terms and coverage for the right premium. Arthur J. Gallagher Risk Management Services, Inc. thanks you for the opportunity to be of continued service.

Sincerely,

*Kathy*

Kathy Hill, CIC  
Client Service Manager Sr.

# City of Hollywood

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## Service Team (Cont.)

**Jori Van der Voort** has primary service responsibility for your company. We operate using a team approach. Your Service Team consists of:

NAME / TITLE	PHONE / ALT. PHONE	EMAIL	ROLE
<b>Jori Van der Voort, ARM</b> Area Senior Vice President	305-639-3116	Jori_Van_der_Voort@ajg.com	Executive Producer
<b>Kathy Hill, CIC</b> Area Assistant Vice President	561-998-6785	Kathy_Hill@ajg.com	Client Service Manager Senior
<b>Aimee Bell</b>	561-998-6817	Aimee_Bell@ajg.com	Client Service Associate Senior
<b>David L. Marcus, ARM</b> Managing Director - Gallagher Public Sector	561-998-6800	Dave_Marcus@ajg.com	Area Chairman

**Arthur J. Gallagher Risk Management Services, Inc.**  
Main Office Phone Number: **(561) 995-6706**

Your Program

10/1/2021

# City of Hollywood

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## Named Insured

NAMED INSURED	LINE OF COVERAGE
City of Hollywood	Terrorism – Property Coverage
City of Hollywood	Terrorism – Liability Coverage

**Note:** Any entity not named in this proposal may not be an insured entity. This may include partnerships and joint ventures.

# City of Hollywood

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## Market Place Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

INSURANCE COMPANY	LINE OF COVERAGE	RESPONSE
<b>Certain Underwriters at Lloyd's, London</b>	Terrorism - Liability Coverage Terrorism – Property Coverage	Quoted
<b>Lloyds of London/Hiscox</b>	Terrorism - Liability Coverage Terrorism – Property Coverage	*Non-bindable Indications
<b>Lloyds of London/Ironshore</b>	Terrorism - Liability Coverage Terrorism – Property Coverage	*Non-bindable Indications

\*The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.



# City of Hollywood

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## Location Schedule

LINE OF COVERAGE	LOC # / BLDG #	LOCATION ADDRESS
Terrorism Property	Values per schedule on file with the carrier. SOV effective 12-15-14	Values per schedule on file with the carrier. SOV effective 12-15-14
Terrorism Liability	Locations per schedule on file with the carrier. Schedule as of 10/1/14	Locations per schedule on file with the carrier. Schedule as of 10/1/14

# City of Hollywood

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## Program Details

**Coverage:** Terrorism - Property  
**Carrier:** Certain Underwriters at Lloyd's, London  
**Policy Period:** TO BE DETERMINED

The following is a general summary of the Insuring Agreement. Refer to actual policy form for complete terms and conditions.

### Coverage:

DESCRIPTION	LIMIT	BASIS
Real Property & Personal Property including Business Interruption	\$100,000,000	Per occurrence

### Deductibles/SIR:

COVERAGE	AMOUNT	BASIS
Terrorism – Real Property & Personal Property including Business Interruption	\$25,000	Per occurrence

### Valuations:

DESCRIPTION	LIMITATIONS
Replacement Cost	Repairing, replacing or reinstating whichever is the least on the same site or nearest available site whichever incurs the least cost with material of like kind and quality without deductible for depreciation subject to all policy provisions
Actual Loss Sustained	Business Interruption Extension

### Perils Covered:

TYPE	DESCRIPTION
Terrorism	As defined by the policy terms (see forms attached)

### Exclusions include, but are not limited to:

DESCRIPTION
Loss or increased cost as a result of threat or hoax.
Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.
Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.

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## Program Details (Cont.)

Exclusions include, but are not limited to:

DESCRIPTION
Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.
Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
Loss or damage caused by confiscation, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the Insured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade
Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Schedules on file with the carrier \$477,270,054 (Municipal \$197,282,986 plus Utilities \$279,987,068)
Only locations/buildings listed on the property schedule are covered. Schedule as of 12/15/14 is on file.
30 day cancellation/non-renewal clause

Binding Requirements:

DESCRIPTION
Signed Client Authorization to Bind

<b>Premium - \$100,000,000 Limit</b>	<b>\$20,000.00</b>
<b>Surcharges &amp; Assessments</b>	
Citizens Assessment 1%	\$2,000.00
EMPA	\$4.00
<b>Total Surcharges &amp; Assessments</b>	<b>\$2,004.00</b>
<b>Fees</b>	
<b>Total Fees</b>	<b>\$0.00</b>
<b>ESTIMATED PROGRAM COST</b>	<b>\$22,004.00</b>
Minimum Earned Premium – FULLY EARNED at binding	

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## Program Details (Cont.)

### OPTIONAL LIMIT

Premium - \$30,000,000 Limit	\$10,000.00
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### Surcharges & Assessments

Citizens Assessment 1%	\$1,000.00
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EMPA	\$4.00
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Total Surcharges & Assessments	\$1,004.00
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### Fees

Total Fees	\$0.00
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ESTIMATED PROGRAM COST	\$11,004.00
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Minimum Earned Premium – FULLY EARNED at binding

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## Program Details (Cont.)

**Coverage:** Terrorism - Liability  
**Carrier:** Certain Underwriters at Lloyd's, London  
**Policy Period:** TO BE DETERMINED

### Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR LITIGATION DATE
Terrorism - Liability	Claims Made and Reported	As of Binding	NA

### Coverage:

DESCRIPTION	LIMIT	BASIS
Per Occurrence Limit	\$10,000,000	Per occurrence
Policy Aggregate Limit	\$10,000,000	Annual Aggregate

### Deductibles/SIR:

COVERAGE	AMOUNT	BASIS
Bodily Injury and Property Damage	\$25,000	Per occurrence

### Definition of Claim:

DESCRIPTION
Refer to attached policy form

### Incident or Claim Reporting Provision:

DESCRIPTION
Refer to attached policy form

### Extended Reporting Period (ERP) Options\*:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH
Not Available	--	--	

\*If ERP coverage is desired, then that request must be in writing to the carrier.

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## Program Details (Cont.)

**Exclusions include, but are not limited to:**

DESCRIPTION
Loss, injury or damage arising directly or indirectly from nuclear detonation, reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, reaction, nuclear radiation or radioactive contamination may have been caused.
Loss, injury or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power or martial law or confiscation by order of any Government or public authority.
Loss, injury or damage caused by confiscation, requisition, detention, legal or illegal occupation, embargo, quarantine, or any result of any order of public or government authority which deprives the Assured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
Loss, injury or damage directly or indirectly arising from or in consequence of the discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant of toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
Loss, injury or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, riots or civil commotion unless caused directly by an Act of Terrorism.
Loss, injury or damage by attacks by electronic means including computer hacking or the introduction of any form of computer virus.
Loss, injury or damage by chemical or biological release or exposure of any kind.

### Defense Limitations:

Defense Limitation:	Applies
Defense Cost Type:	Within Policy Limits (expenses erode policy limit)

### Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Schedule on file for Municipal and Utilities locations as of 12/15/14
Only locations listed on the schedule are covered
30 day cancellation/non-renewal clause

### Binding Requirements:

DESCRIPTION
Signed Client Authorization to Bind

# City of Hollywood

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## Program Details (Cont.)

Premium – Limit \$10,000,000	\$5,000.00
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### Surcharges & Assessments

None

Total Surcharges & Assessments	\$0.00
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ESTIMATED PROGRAM COST	\$5,000.00
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Minimum Premium – FULLY EARNED at binding

Subject to Audit: Not Auditable

### OPTIONAL LIMIT

Premium – OPTIONAL LIMIT \$5,000,000	\$2,000.00
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### Surcharges & Assessments

None

Total Surcharges & Assessments	\$0.00
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ESTIMATED PROGRAM COST	\$2,000.00
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Minimum Premium – FULLY EARNED at binding

Subject to Audit: Not Auditable

### OPTIONAL LIMIT

Premium – OPTIONAL LIMIT \$1,000,000	\$1,500.00
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### Surcharges & Assessments

None

Total Surcharges & Assessments	\$0.00
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ESTIMATED PROGRAM COST	\$1,500.00
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Minimum Premium – FULLY EARNED at binding

Subject to Audit: Not Auditable

# City of Hollywood

## Premium Summary

The estimated program cost for the options are outlined in the following table:

LINE OF COVERAGE		PROPOSED PROGRAM	
		CARRIER	ESTIMATED COST
<b>Terrorism – Property</b> <b>\$100,000,000 Limit</b>	Premium	Certain Underwriters at Lloyd's, London	\$20,000.00
	Srchrg & Asmnt		\$2,004.00
	<b>Estimated</b>		<b>\$22,004.00</b>
	<b>Cost</b>		-
<b>Terrorism – Liability</b> <b>\$10,000,000 Limit</b>	Premium	Certain Underwriters at Lloyd's, London	\$5,000.00
	Srchrg & Asmnt		N/A
	<b>Estimated</b>		<b>\$5,000.00</b>
	<b>Cost</b>		-
<b>Total Estimated Program Cost</b>			<b>\$27,004.00</b>

Quote From **Certain Underwriters at Lloyd's, London** is valid until **2/23/2015**

Quote From **Certain Underwriters at Lloyd's, London** is valid until **2/23/2015**



# City of Hollywood

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## Payment Plans

CARRIER	LINE OF COVERAGE	PAYMENT SCHEDULE	PAYMENT METHOD
Certain Underwriters at Lloyd's, London	Terrorism – Property Coverage	Premium due upon binding	Agency Bill
Certain Underwriters at Lloyd's, London	Terrorism – Liability Coverage	Premium due upon binding	Agency Bill

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## Changes / Developments

It is important that we be advised of any changes in your operations that may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

1. Changes in any operation such as expansion to other states or new products.
2. Mergers and/or acquisition of new companies.
3. Any newly assumed contractual liability, granting of indemnities, or hold harmless agreements.
4. Circumstances which may require increased liability insurance limits.
5. Any changes in fire or theft protection, such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to same.
6. Immediate advice of any changes to scheduled equipment such as contractors' equipment, electronic data processing, etc.
7. Property of yours that is in transit, unless we have previously arranged for the insurance.
8. Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed, or occupied.

☐ No Changes and/or Developments

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Proposal Disclosures

## Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

**Proposal Disclaimer**      IMPORTANT: The proposal is an outline of certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

**Compensation Disclosure**      One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions provide for additional contingent compensation if underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company and/or through the intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in some commission rates. These additional commissions, commonly referred to as "supplemental commissions" are known as of the effective date, but some insurance companies are paying this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. Note: Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage.
3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.
4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility was utilized in the placement of a client's account, the facility may have earned and retained customary brokerage commission or fees for its work.
5. Gallagher assists its customers in procuring premium finance quotes and unless prohibited by law may earn compensation for this value added service.
6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.
7. Gallagher strives to find appropriate coverage at a competitive price for our customers. In order

## Proposal Disclosures (Cont.)

to achieve these goals, we gather and analyze data about our customers and their insurance coverage. This data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our customers. The data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please send an e-mail to [Compensation\\_Complaints@ajg.com](mailto:Compensation_Complaints@ajg.com) or send a letter to:

Compliance Officer  
Arthur J. Gallagher & Co.  
Two Pierce Place, 20th Floor  
Itasca, IL 60143

### **TRIA/TRIPRA Disclaimer**

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by \$20 million each calendar year before the TRIPRA program responds from the 2015 trigger of \$100 million to \$200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

### **Property Estimator Disclaimer**

These property values were obtained using a desktop Property Estimator software operated by non-appraisal professionals. These property values represent general estimates which are not to be considered a certified appraisal. These property values include generalities and assumptions that may produce inaccurate values for specific structures.

### **Actuarial Disclaimer**

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher Risk Management Services, Inc.. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

# City of Hollywood

## Insurance Company Ratings and Admitted Status

PROPOSED INSURANCE COMPANIES	A.M. BEST'S RATING	ADMITTED / NON-ADMITTED
Certain Underwriters at Lloyd's, London	A XV	Non-Admitted
Lloyds of London/Hiscox	A XV	Non-Admitted
Lloyds of London/Ironshore	A XV	Non-Admitted

If the above indicated coverage is placed with a Non-Admitted Carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.

\*The above A.M. Best Rating was verified on the date the proposal document was created.

### Guide to Best Ratings Rating Levels and Categories

LEVEL	CATEGORY	Financial Size Categories (In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)			
A++, A+	Superior	FSC I	Up to 1,000	FSC IX	250,000 to 500,000
A, A-	Excellent	FSC II	1,000 to 2,000	FSC X	500,000 to 750,000
B++, B+	Good	FSC III	2,000 to 5,000	FSC XI	750,000 to 1,000,000
B, B-	Fair	FSC IV	5,000 to 10,000	FSC XII	1,000,000 to 1,250,000
C++, C+	Marginal	FSC V	10,000 to 25,000	FSC XIII	1,250,000 to 1,500,000
C, C-	Weak	FSC VI	25,000 to 50,000	FSC XIV	1,500,000 to 2,000,000
D	Poor	FSC VII	50,000 to 100,000	FSC XV	2,000,000 or more
E	Under Regulatory Supervision	FSC VIII	100,000 to 250,000		
F	In Liquidation				
S	Suspended				

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at <http://www.ambest.com/ratings/notice>.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at <http://www.ambest.com>. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

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Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

## Insurance Company Ratings and Admitted Status (Cont.)

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS			
A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.			
Best's Financial Strength Ratings			
	Rating	Descriptor	Definition
Secure	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Vulnerable	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or by a forced liquidation.
	S	Suspended	Assigned to rated companies when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
Rating Modifiers			
Modifier	Descriptor	Definition	
u	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.	
pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)	
s	Syndicate	Indicates rating assigned to a Lloyd's syndicate.	
Rating Outlooks			
Indicates potential direction of a Best's Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.			
Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.		
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.		
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.		
Under Review Implications			
Indicates the potential direction of a Best's Financial Strength Rating that is in Under Review status based on information currently available.			
Positive	Indicates there is a reasonable likelihood the company's rating will be raised as a result of A.M. Best's analysis of a recent event.		
Negative	Indicates there is a reasonable likelihood the company's rating will be lowered as a result of A.M. Best's analysis of a recent event.		
Developing	Indicates there is uncertainty as to the final rating outcome, but there is a reasonable likelihood the company's rating will change as a result of A.M. Best's analysis of a recent event.		
Not Rated Designation			
NR: Assigned to companies that are not rated by A.M. Best.			
Rating Disclosure			
A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's <i>Terms of Use</i> at <a href="http://www.ambest.com">www.ambest.com</a> .			
Best's Financial Strength Ratings are distributed via press release and/or the A.M. Best website at <a href="http://www.ambest.com">www.ambest.com</a> and are published in the <i>Credit Rating Actions</i> section of <i>Best's Journal</i> ™. Best's Financial Strength Ratings are proprietary and may not be reproduced without permission. Copyright © 2014 by A.M. Best Company, Inc.			
			Version 080114



## Client Signature Requirements



# SURPLUS LINES DISCLOSURE and ACKNOWLEDGEMENT

At my direction, Arthur J. Gallagher Risk Management Services, Inc. has placed my coverage in the surplus lines market. As required by Florida Statute 626.916, I have agreed to this placement. I understand that superior coverage may be available in the admitted market and at a lesser cost and that persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Association with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

I further understand the policy forms, conditions, premiums, and deductibles used by surplus lines insurers may be different from those found in policies used in the admitted market. I have been advised to carefully read the entire policy.

There is no liability on the part of, and I have no cause of action against, my agent for placing coverage in the surplus lines market.

CITY OF HOLLYWOOD

Named Insured

Signature of Insured's Authorized Representative

Date

Certain Underwriters at Lloyds of London

Name of Excess and Surplus Lines Carrier

TERRORISM – Property and Liability

Type of Insurance

Effective Date of Coverage

# City of Hollywood

## Client Authorization To Bind Coverage

After careful consideration of Gallagher's proposal dated 1/23/2015, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

		LINE OF COVERAGE	CARRIER
<input type="checkbox"/> Accept <input type="checkbox"/> Reject		Terrorism Property	Certain Underwriters at Lloyd's, London
		\$100,000,000 Limit	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject		\$ 30,000,000 Limit	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject		Terrorism Liability	Certain Underwriters at Lloyd's, London
		\$10,000,000 Limit	
		\$ 5,000,000 Limit	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject		\$ 1,000,000 Limit	

### Producer/ Insured Coverage Amendments and Notes:

\_\_\_\_\_  
Client Initials

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed \$20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.

By:

\_\_\_\_\_  
Specify: owner, partner or corporate officer

\_\_\_\_\_  
Print Name

Date:

\_\_\_\_\_

## Appendix

# City of Hollywood

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## Claims Reporting By Policy

### TERRORISM INSURANCE

<b>When do you report a claim?</b>	<p>In the event of “accident”, “claim”, or “loss”, you must give London’s Claim Specialist or your authorized representative, Kathy Hill, IMMEDIATE notice of a written demand for monetary damages. Include:</p> <ul style="list-style-type: none"><li>• How, when and where the “claim”, or “loss” occurred;</li><li>• Name and address; and</li><li>• To the extent possible, the names and addresses of any injured persons and witnesses</li><li>• If Lawsuit or attorney representation, please forward all documents as soon as possible so a response can be provided in a timely manner</li></ul>
<b>Where do you report a claim?</b>	All claims are reported directly to the carrier - London’s Claim Specialist
<b>How do you report a claim?</b>	<p>Claims should be reported directly to: Spencer Purkiss Phone: 44 (0) 20.7204.8581 Fax: 44 (0) 20.7204.6021 <a href="mailto:spencer_purkiss@ajg.com">spencer_purkiss@ajg.com</a></p>
<b>If you experience any difficulty in reporting claims directly to carrier:</b>	<p>Contact Kathy Hill at Arthur J. Gallagher Risk Management Services Phone: (561) 995-6706 Fax: (561)995-6708 Email: <a href="mailto:kathy_hill@ajg.com">kathy_hill@ajg.com</a></p>

# City of Hollywood

## Bindable Quotations & Compensation Disclosure Schedule

**Client Name: City of Hollywood**

COVERAGE(S)	CARRIER NAME(S)	ESTIMATED ANNUAL PREMIUM <sup>1</sup>	COMM. % OR FEE <sup>2</sup>	WHOLESALE, MGA OR INTERMEDIARY		
				NAME <sup>3</sup>	COMMISSION % / FEE \$ <sup>4</sup>	AJG OWNED? YES/NO
Terrorism Property	Certain Underwriters at Lloyd's, London \$100,000,000 Limit	\$20,000.00	*0%	Arthur J Gallagher (UK)	10%	Yes
Terrorism Property	Lloyds of London/Hiscox \$30,000,000 Limit	\$18,424.00 Indication	*0%	Risk Placement Services / RPS Boca Raton	7.5%	No
Terrorism Property	Lloyds of London /Ironshore \$100,000,000 Limit	\$34,500.00 Indication	pending confirmation	Direct	NA	No
Terrorism Liability	Certain Underwriters at Lloyd's, London \$10,000,000 \$10,000,000 Limit	\$5,000.00	*0%	Arthur J Gallagher (UK) Limited	10%	Yes
Terrorism Liability	Lloyds of London/Hiscox \$5,000,000 Limit	\$8,040.00 Indication	*0%	Risk Placement Services / RPS Boca Raton	7.5%	Yes
Terrorism Liability	Lloyds of London /Ironshore \$1,000,000 Limit	\$20,000 Indication	pending confirmation	Direct	NA	No

\*Included in capped commission agreement

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10% of the policy premium. Please refer to the [Compensation Disclosure](#) or contact your Gallagher representative for additional information.

<sup>1</sup> \*A verbal quotation was received from this carrier. We are awaiting a quotation in writing. The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

<sup>\*\*</sup> A written quotation was received from this carrier. The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

<sup>2</sup> The commission rate is a percentage of annual premium excluding taxes & fees.

\* Gallagher is receiving \_\_\_\_\_% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.

<sup>3</sup> We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.

<sup>4</sup> \* The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/ intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.

## TERRORISM LIABILITY INSURANCE T3L

This is a liability claims made policy which is not subject to the terms and conditions of any other insurance. It should be read carefully by the Insured.

### COVERAGE

In consideration of the payment of the premium set out in Item 5 of the Declarations Underwriters agree subject to the insuring agreements, conditions, exclusions, definitions and declarations contained in this policy, to indemnify the Insured in respect of their operations, for Ultimate Net Loss by reason of the liability imposed upon the insured by law or assumed under an indemnification contract, for damages in respect of a claim, arising out of an occurrence as defined herein, for Bodily Injury and/or Property Damage **resulting solely and directly from an act or acts of terrorism as defined herein.**

PROVIDED such claim made is first received by the Insured during the policy period set out in Item 4 of the Declarations or the Insured gives written notification to underwriters of the discovery of his involvement in such act of terrorism within 90 days of the expiry of the policy.

### EXCLUSIONS

This policy does not apply to any actual or alleged liability for:-

Loss, injury or damage arising directly or indirectly from nuclear detonation, reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, reaction, nuclear radiation or radioactive contamination may have been caused.

Loss, injury or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power or martial law or confiscation by order of any Government or public authority.

Loss by seizure or illegal occupation unless caused directly by an act of terrorism.

Loss, injury or damage caused by confiscation, requisition, detention, legal or illegal occupation, embargo, quarantine, or any result of any order of public or government authority which deprives the Assured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.

Loss, injury or damage directly or indirectly arising from or in consequence of the discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant of toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

Loss, injury or damage by chemical or biological release or exposure of any kind.

Loss, injury or damage by attacks by electronic means including computer hacking or the introduction of any form of computer virus.


Loss, injury or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, riots or civil commotion unless caused directly by an Act of Terrorism.


Delay or loss of markets, however caused or arising, and despite any preceding loss insured hereunder.

Loss, injury or damage caused by cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications of any type or service.

Loss or increased cost as a result of threat or hoax, in the absence of physical damage due to an act of terrorism.

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Loss, injury or damage to employees or arising under any workers' compensation, unemployment compensation or disability laws, statutes, or regulations;

Loss, injury or damage arising out of discrimination or humiliation;

Loss or damage to property

- (a) owned, leased, rented or occupied by the Insured;
- (b) in the care, custody or control of the Insured;

for fines, penalties, punitive damages, exemplary damages, or any additional damages resulting from the multiplication of compensatory damages;

Mental injury, anguish or shock where no bodily injury has occurred to the litigant;

Nothing contained in the above exclusions shall extend this policy to cover any liability which would not have been covered had these exclusions not been incorporated herein.

## **LIMITS**

### **1. LIMITS OF LIABILITY**

Underwriters shall only be liable for Ultimate Net Loss, as set out in Item 2 of the Declarations, in excess of the underlying amount and/or the each occurrence retention set out in Item 3 of the Declarations.

Regardless of the number of occurrences or claims made against the Insured, Underwriters' total limits of liability shall not exceed the amount of Ultimate Net Loss. Such limits include defence expenses.

### **2. UNDERLYING AMOUNT/EACH OCCURENCE RETENTION**

Only that part of any payment constituting Ultimate Net Loss shall deplete the underlying amount and/or the each occurrence retention set out in Item 3 of the Declarations. Regardless of the number of claims made against the Insured, where the underlying amount is in respect of each occurrence, the Insured shall always be liable for either the underlying amount or the each occurrence retention, whichever is the greater, in respect of each and every occurrence.


Regardless of the number of claims made against the Insured, where the underlying amount is in the aggregate, the Insured shall always be liable for the remaining underlying amount and/or the each occurrence retention.

The each occurrence retention shall be subject to no aggregate limitation regardless of the number of occurrences or Claims made against the Insured.

### **3. JOINT VENTURES**

As regards any liability of the Insured which is insured under this policy and arises in any manner whatsoever out of the operations or existence of any joint venture, co-venture, joint lease, joint operating agreement or partnership (hereinafter called the "Joint Venture") in which the Insured has an interest:-

- (a) the underlying amount,
- (b) the each occurrence retention, and
- (c) the limits of liability of Underwriters under this policy shall be limited to the product of (i) the percentage interest of the Insured in the said Joint Venture (ii) the underlying amount and/or the each occurrence retention, and the limits of liability afforded the Insured by this policy, respectively. Where the percentage interest of the Insured in said Joint Venture is not set forth in writing, the percentage to be applied shall be that which would be imposed by law at the inception of the Joint Venture. Such percentage shall not be increased by the insolvency of any members of the said Joint Venture or any other parties. This Joint Venture clause

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shall not apply to any liability of the Insured where, as a result of the circumstances of an Occurrence, the terms of the Joint Venture agreement place the whole liability of the Joint Venture on the Insured.

## **CONDITIONS**

This policy is subject to the following conditions:-

### **1. INSOLVENCY**

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the Insured and/or any insurer and/or any Underwriter shall not operate to:-

- (a) deplete the underlying amount(s) and/or each occurrence retention set out in Item 3 of the Declarations;
- (b) increase Underwriter's liability under this policy;
- (c) increase any Underwriter's share of liability under this policy.

In no event shall any Underwriter of this policy assume the responsibilities and/or obligations of the Insured and/or any insurer and/or any Underwriter.

### **2. OTHER INSURANCE**

Where the Insured is, irrespective of this policy, entitled to be indemnified in whole or in part by any other insurance in respect of any damages which would otherwise have been indemnifiable in whole or in part by the Underwriters of this policy, there shall be no contribution or participation by the Underwriters of this policy on the basis of any deficiency, concurrent or double insurance for such damages or that part of such damages for which the Insured is entitled to be indemnified by such other insurance. This condition will apply whether or not the Insured is actually indemnified by such other insurance.

### **3. NOTICE OF CLAIM**

Prompt notice must be given to Underwriters whenever the Insured has information that a claim, alone or in combination with any other claims may give rise to liability.

For the purpose of this Condition 3 the Insured will notify Underwriters on the basis that the Insured is liable and further is liable for any amount claimed.

### **4. PROTECTION MAINTENANCE**

It is agreed that any protection provided shall be maintained in good order throughout the currency of this Policy and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the Underwriters without their consent.

### **5. PREVENTION OF FURTHER CLAIMS**


As soon as the Insured becomes aware of an occurrence or receives a claim, the Insured shall promptly, and at its own expense, take all reasonable steps to prevent further Bodily Injury and/or Property Damage resulting from the same occurrence or conditions which may give rise to a similar occurrence.

### **6. ATTACHMENT OF LIABILITY**

Liability to pay under this policy shall not attach unless and until the Insured has, with Underwriters' prior written consent, paid an amount of Ultimate Net Loss which exceeds the underlying amount and/or the each occurrence retention set out in Item 3 of the Declarations.

### **7. DEFENCE**

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Underwriters shall not be called upon to assume the handling or control of the defence or settlement of any claim made against the Insured but Underwriters shall have the right, but not the duty, to participate with the Insured in the defence or settlement of any claim which may be indemnifiable in whole or in part by this policy.

Underwriters will pay any defence expenses incurred after exhaustion of the underlying amount or each occurrence retention, whichever is the greater, provided the prior written consent of Underwriters is obtained before those defence expenses are incurred and subject to Underwriters' limits of liability set out Item 2 of the Declarations.

#### **8. APPEALS**

In the event the Insured elects not to appeal, a judgement which may, in whole or in part, involve indemnity under this policy, Underwriters may, following discussion with the Insured, elect to make such appeal at their own cost and expense and shall be liable for the taxable costs and disbursements and any additional interest incidental to such appeal; but in no event shall the liability of Underwriters exceed the relevant limits of liability set out in Item 2 of the Declarations plus such cost, expense, costs, disbursements and interest.

#### **9. APPORTIONMENT OF DEFENCE EXPENSES**

Whenever any written demand received by the Insured for damages is finally resolved by a payment by the Insured which, regardless of the amount thereof, is only covered in part by this policy, then the percentage of any defence expenses that can be included in the Ultimate Net Loss shall be calculated by dividing that part of such payment which is covered by this policy, by the total amount paid by the Insured.

#### **10. LOSS PAYABLE**

Any amount for which Underwriters are liable under this policy shall be due and payable solely to the Insured's agent within 30 days after it is agreed by Underwriters.

#### **11. SUBROGATION**

Where an amount is paid by Underwriters under this policy, the Insured's rights of recovery against any other person or entity in respect of such amount shall be exclusively subrogated to Underwriters. At Underwriters' request the Insured will assist, co-operate and lend its name to the exercise of Underwriters' rights of subrogation. The Insured is hereby authorised to waive any rights of recovery in relation to any other party, provided such waiver is given in writing prior to the relevant occurrence.

#### **12. APPLICATION OF RECOVERIES**

All recoveries or payments recovered or received subsequent to a payment by Underwriters under this policy, after deduction of all recovery expenses, shall be applied as if recovered or received prior to such payment and all necessary adjustments shall then be made between the Insured and Underwriters.

#### **13. WAIVER OR CHANGE**

Notice to or knowledge possessed by any person shall not effect a waiver or change in any part of this policy or stop Underwriters from asserting any right under this policy; nor shall any part of this policy be waived or changed, except by endorsement issued to form a part hereof, signed by Underwriters.


#### **14. ASSIGNMENT**

Assignment of interest under this policy shall not bind Underwriters unless and until their written agreement thereto is secured.

#### **15. CANCELLATION**

Cancellation of this policy may be effected only by Underwriters or their representatives sending by certified or registered mail, notice to the other party stating when, not less than 30 days thereafter, cancellation shall be effective. The mailing of notice as aforesaid by Underwriters or their representatives to the first named Insured at the address

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shown in Item 1 of the Declarations shall be sufficient proof of notice and the coverage under this policy with respect to all Insureds shall end on the effective date and hour of cancellation stated in the notice. Delivery of such written notice either by first named Insured or by Underwriters or Underwriters' representatives shall be equivalent to sending by certified or registered mail.

If this policy shall be cancelled by Underwriters, they shall retain the pro rata proportion of the premium for the period this policy has been in force.

Notice of cancellation by Underwriters shall be issued only in the event of non-payment or short payment of premium.

This policy shall be non-cancellable by the Insured.

#### **16. LAW AND JURISDICTION**

As set out in declaration Item 7

#### **17. SERVICE OF SUIT**

If and as attached to this policy.

#### **18. ARBITRATION**

If the Assured and Underwriters fail to agree in whole or in part regarding any aspect of this Policy, each party shall, within ten (10) days after the demand in writing by either party, appoint a competent and disinterested arbitrator and the two chosen shall before commencing the arbitration select a competent and disinterested umpire. The arbitrators together shall determine such matters in which the Assured and Underwriters shall so fail to agree and shall make an award thereon, and if they fail to agree, they will submit their differences to the umpire and the award in writing of any two, duly verified, shall determine the same.

#### **19. INSPECTION AND INVESTIGATION**

Underwriters shall be permitted but not obligated to inspect the Insured's property and operations at any reasonable time. Neither Underwriters' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are adequate or safe.

In addition to the notice requirements in this policy, on request by Underwriters, the Insured will provide full details of all occurrences or claims which could deplete the underlying amount, deplete the each occurrence retention or ultimately give rise to indemnity under this policy.

The Insured will co-operate fully with Underwriters should Underwriters decide to investigate any such occurrence or claim. Underwriters may examine and audit the Insured's books and records at any time during normal working hours, as far as they relate to the subject matter of this policy.

#### **20. CROSS LIABILITY**


In the event of claims being made by reason of Bodily Injury suffered by any employee of one Insured which does not arise out of the injured employee's employment, for which another Insured is liable, then this policy shall cover the Insured against whom such claim is made in the same manner as if separate policies had been issued to each Insured.

Nothing contained in this Condition 20 shall operate to increase Underwriters' limits of liability set out in Item 2 of the Declarations.

### **DEFINITIONS**

This policy is subject to the following definitions:-

#### **1. TERRORISM**

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For the purpose of this Insurance, an act of terrorism means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

## **2. BODILY INJURY**

The words "Bodily Injury", wherever used in this policy, shall mean all physical injury to a third party human being including death, sickness, disease or disability and all mental injury, anguish or shock to such human being resulting from such physical injury,

## **3. CLAIM**

The word "claim", wherever used in this policy, shall mean that part of each written demand received by the Insured for damages covered by this policy, including the service of suit or institution of arbitration proceedings.

## **4. DEFENCE EXPENSES**

The words "defence expenses", wherever used in this policy, shall mean investigation, adjustment, appraisal, defence and appeal costs and expenses and pre and post judgement interest, paid or incurred by or on behalf of the Insured.

The salaries, expenses or administrative costs of the Insured or its employees or any insurer shall not be included within the meaning of defence expenses.

## **5. PROPERTY DAMAGE**

The words "property damage", wherever used in this policy, shall mean physical loss of, physical damage to or physical destruction of tangible property of a third party, including loss of use of the tangible property so lost, damaged or destroyed and/or removal of debris from third party property.


## **6. ULTIMATE NET LOSS**


The words "ultimate net loss", wherever used in this policy, shall mean the amount the Insured is obligated to pay, by judgement or settlement, as damages resulting from a claim, including defence expenses in respect of such claim arising out of one occurrence.

## **7. OCCURRENCE**

The term "Occurrence" shall mean any one loss and/or series of losses arising out of and directly occasioned by one Act or series of Acts of Terrorism for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses directly occasioned by one Act or series of Acts of Terrorism arising out of the same purpose or cause during any period of 72 consecutive hours within a radius of ten (10) miles.

However for the purposes of this policy no period of 72 consecutive hours shall commence prior to the attachment of this Policy.


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## DECLARATIONS

Item 1.	Name and Address of the Named Insured:-	{Response}
Item 2.	Limits of Liability in respect of each occurrence and in all:-	{Response}
Item 3.	Underlying Amount(s) or Each Occurrence Retention	{Response}
Item 4.	Policy Period (both dates inclusive)	
	a) inception date:-	{Response}
	b) expiry date (subject to any date of cancellation):-	{Response}
Item 5.	Premium:-	{Response}
Item 6.	Payable on (dates):-	{Response}
Item 7.	Jurisdiction	{Response}

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## Section 1

### SCHEDULE

This Schedule forms part of the Wording and for the purposes of interpretation, the contents of this Schedule shall have meaning only as provided for in the Wording.

<b>Policy Number:</b>	As stated in Section I – Risk Details
<b>Unique Market Reference Number:</b>	As stated in Section I – Risk Details
<b>Name of Insured:</b>	As stated in Section I – Risk Details
<b>Address of Insured:</b>	As stated in Section I – Risk Details
<b>Broker:</b>	Arthur. J. Gallagher ( UK ) Limited
<b>Period of Insurance:</b>	As stated in Section I – Risk Details

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<b>Description of Property Insured</b>	As stated in Section I – Risk Details
<b>Total Declared Values</b>	USD

<b>POLICY SECTION</b>	<b>NARRATIVE</b>
<b>Condition 3</b>	<b>Location(s) Insured:</b> As stated in Section I – Risk Details
<b>Condition 4</b>	<b>Sum Insured</b>
	As stated in Section I – Risk Details
<b>Condition 5</b>	<b>Deductible(s):</b>
	As stated in Section I – Risk Details
<b>Condition 12</b>	<b>Notification of Claims to:</b>
	As stated in Section I – Risk Details

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<b>Condition 28</b>	<b>Choice of Law:</b>
	It is understood and agreed by both the Insured and the Insurer(s) that any dispute concerning the interpretation of this Policy shall be governed by the Laws of the State of <b>XXXXXXX</b> , subject to the provisions of the Service of Suit Clause contained within the policy wording.
<b>Condition 29</b>	<b>Choice of Jurisdiction:</b>
	United States of America per Service of Suit Clause contained within the Policy wording.
<b>Condition 30</b>	<b>Service of Suit Nominee:</b>
	Mendes and Mount, 750 Seventh Avenue, New York, NY 10019-6829, USA Or Foley & Gardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104 – 1520
	<b>Premium:</b>
	As stated in Section I – Risk Details

**Dated in London:** 2014

**Wording - Page 4 of 17**

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## Section 2

### INSURING CLAUSE

Subject to the exclusions, limits and conditions hereinafter contained, this Insurance insures property as stated in the Schedule attaching to and forming part of this Policy (hereinafter referred to as the "Schedule") against physical loss or physical damage occurring during the period of this Policy caused by an Act of Terrorism or Sabotage, as herein defined.

For the purpose of this Insurance, an Act of Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

For the purpose of this Insurance, an act of sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

## Section 3

### LOSSES EXCLUDED

This Policy does not insure against:

1. Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
2. Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.
3. Loss by seizure or legal or illegal occupation unless physical loss or damage is caused directly by an Act of Terrorism or an Act of Sabotage.
4. Loss or damage caused by confiscation, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the Insured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
5. Loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
6. Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
7. Loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind.
8. Any fine or penalty or other assessment which is incurred by the Insured or which is imposed by any court, government agency, public or civil authority or any other person.

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9. Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.

This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

10. Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.
11. Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.
12. Loss or damage caused by measures taken to prevent, suppress or control actual or potential terrorism or sabotage unless agreed by Underwriters in writing prior to such measures being taken.
13. Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working.
14. Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
15. Loss or increased cost as a result of threat or hoax.
16. Loss or damage caused by or arising out of burglary, house - breaking, looting, theft or larceny.
17. Loss or damage caused by mysterious disappearance or unexplained loss.
18. Loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

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## Section 4

### PROPERTY EXCLUDED

This Policy does not cover physical loss or physical damage to:

1. Land or land values.
2. Power transmission, feeder lines or pipelines not on the Insured's premises.
3. Any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than thirty days, unless the property is intended to be unoccupied in its normal operations.
4. Aircraft or any other aerial device, or watercraft.
5. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the property insured herein at the time of its damage.
6. Animals, plants and living things of all types.
7. Property in transit not on the Insured's premises.

## Section 5

### CONDITIONS

#### 1. JOINT INSUREDS

The Underwriters' total liability for any loss or losses sustained by any one or more of the Insureds under this Insurance will not exceed the sum insured shown in the Schedule. The Underwriters shall have no liability in excess of the sum insured whether such amounts consist of insured losses sustained by all of the Insureds or any one or more of the Insureds.

#### 2. OTHER INSURANCE

This Policy shall be excess of any other insurance available to the Insured covering a loss covered hereunder except such other insurance which is written specifically as excess insurance over this Policy. When this Policy is written specifically in excess of other insurance covering the peril insured hereunder, this Policy shall not apply until such time as the amount of the underlying insurance, (whether collectible or not), has been exhausted by loss and damage covered by this Policy in excess of the deductible with respect to each and every covered loss.

#### 3. SITUATION

This Policy insures property located at the addresses stated in the Schedule.

#### 4. SUM INSURED

The Underwriters hereon shall not be liable for more than the sum insured stated in the Schedule in respect of each occurrence **and in the Policy aggregate if applicable.**

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## **5. DEDUCTIBLE**

Each occurrence shall be adjusted separately and from each such amount the sum stated in the Schedule shall be deducted

## **6. OCCURRENCE**

The term "Occurrence" shall mean any one loss and/or series of losses arising out of and directly occasioned by one Act or series of Acts of Terrorism or Sabotage for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses sustained by the Insured at the property insured herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this Policy unless the Insured shall first sustain direct physical damage by an Act of Terrorism or an Act of Sabotage prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this Policy.

## **7. DEBRIS REMOVAL**

This Policy also covers, within the sum insured, expenses incurred in the removal from the insured location of debris of property stated in the Schedule damaged by an Act of Terrorism or an Act of Sabotage.

The cost of removal of debris shall not be considered in determination of the valuation of the property covered.

## **8. DUE DILIGENCE**

The Insured (or any of the Insured's agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the insured property, to avoid or diminish any loss herein insured and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity.

## **9. PROTECTION MAINTENANCE**

It is agreed that any protection provided for the safety of the property insured shall be maintained in good order throughout the currency of this Policy and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the Underwriters without their consent.

## **10. VALUATION**

It is understood that, in the event of damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) property on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:

The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;

Until replacement has been effected the amount of liability under this Policy in respect of loss shall be limited to the actual cash value at the time of loss;

If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Policy.

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The Underwriters' liability for loss under this Policy shall not exceed the smallest of the following amounts:

The Policy limit applicable to the destroyed or damaged property,

The replacement cost of the property or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss,

The amount actually and necessarily expended in replacing said property or any part thereof.

The Underwriters will normally expect the Insured to carry out repair or replacement of the insured property, but if the Insured and the Underwriters agree that it is not practicable or reasonable to do this, the Underwriters will pay the Insured an amount based on the repair or replacement costs, less an allowance for fees and associated costs which are not otherwise incurred. The Underwriters will only pay the Insured up to the Sum Insured shown in the Schedule.

#### **11. INCORRECT DECLARATION PENALTY**

If the values declared as stated in the Schedule are less than the correct insured values as determined above, then any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and the Insured shall co-insure for the balance.

#### **12. NOTIFICATION OF CLAIMS**

The Insured, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give written advice as soon as reasonably practicable to the Underwriters and or the Broker, named for that purpose in the Schedule, who is to advise the Underwriters within seven (7) days of such knowledge of any occurrence and it is a condition precedent to the liability of Underwriters that such notification is given by the Insured as provided for by this Policy.

If the Insured makes a claim under this Insurance he must give the Underwriters such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by the Underwriters, the Insured must submit to examination under oath by any person designated by the Underwriters.

#### **13. PROOF OF LOSS**

The Insured shall render a signed and sworn proof of loss within sixty (60) days after the occurrence of a loss (unless such period be extended by the written agreement of Underwriters) stating the time, place and cause of loss, the interest of the Insured and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If the Underwriters have not received such proof of loss within two years of the expiry date of this Policy, they shall be discharged from all liability hereunder.

In any claim and/or action, suit or proceeding to enforce a claim for loss under this Policy, the burden of proving that the loss is recoverable under this Policy and that no limitation or exclusion of this Policy applies and the quantum of loss shall fall upon the Insured.

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#### 14. SUBROGATION

Any release from liability entered into in writing by the Insured prior to loss hereunder shall not affect this Policy or the right of the Insured to recover hereunder. The right of subrogation against any of the Insured's subsidiary or affiliated companies or any other companies associated with the Insured through ownership or management is waived;

In the event of any payment under this Policy, the Underwriters shall be subrogated to the extent of such payment to all the Insured's right of recovery therefor. The Insured shall execute all papers required, shall cooperate with Underwriters and, upon the Underwriters' request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. The Underwriters will act in concert with all other interests concerned (including the Insured) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

- (i) Any interest, (including the Insured's), exclusive of any deductible or self insured retention, suffering a loss of the type covered by this Policy and in excess of the coverage under this Policy shall be reimbursed up to the amount of such loss (excluding the amount of the deductible);
- (ii) Out of the balance remaining, the Underwriters shall be reimbursed to the extent of payment under this Policy;
- (iii) The remaining balance, if any, shall inure to the benefit of the Insured, or any insurer providing insurance primary to this Policy, with respect to the amount of such primary insurance, deductible, self insured retention, and/or loss of a type not covered by this Policy.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the Insured, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of Underwriters, the expense thereof shall be borne by the Underwriters.

#### 15. SALVAGE AND RECOVERIES

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

#### 16. FALSE OR FRAUDULENT CLAIMS

~~If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claims and benefit hereunder shall be forfeited.~~

#### 17. MISREPRESENTATION

If the Insured has concealed or misrepresented any material fact or circumstance relating to this Insurance, this Insurance shall become void. If the Insured is unsure what constitutes material fact(s) or circumstance(s), they should consult their broker or agent.

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**18. ABANDONMENT**

There shall be no abandonment to the Underwriters of any property.

**19. INSPECTION AND AUDIT**

The Underwriters or their agents shall be permitted but not obligated to inspect the Insured's property at any time.

Neither the Underwriters' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

The Underwriters may examine and audit the Insured's books and records at any time up to two years after the final termination of this Policy, as far as they relate to the subject matter of this Insurance.

**20. ASSIGNMENT**

Assignment or transfer of this Policy shall not be valid except with the prior written consent of the Underwriters.

**21. RIGHTS OF THIRD PARTIES EXCLUSION**

This Policy is effected solely between the Insured and the Underwriters.

This Policy shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Policy.

This clause shall not affect the rights of the Insured.

**22. CANCELLATION**

This Policy shall be non-cancellable by the Underwriters or the Insured except in the event of non-payment of premium where the Underwriters may cancel the Policy at their discretion.

In the event of non-payment of premium this Policy may be cancelled by or on behalf of the Underwriters by delivery to the Insured or by mailing to the Insured or the Broker by registered, certified, or other first class mail, at the Insured's address as shown in this Policy, written notice stating when, not less than thirty (30) days thereafter, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

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## **23. ARBITRATION**

If the Insured and Underwriters fail to agree in whole or in part regarding any aspect of this Policy, each party shall, within ten (10) days after the demand in writing by either party, appoint a competent and disinterested arbitrator and the two (2) chosen shall before commencing the arbitration select a competent and disinterested umpire.

The arbitrators together shall determine such matters in which the Insured and Underwriters shall so fail to agree and shall make an award thereon and the award in writing of any two (2), duly verified, shall determine the same, and if they fail to agree, they will submit their differences to the umpire.

The parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

## **24. SEVERAL LIABILITY**

The Underwriters' obligations under this Policy are several and not joint and are limited solely to their individual subscriptions. The Underwriters are not responsible for the subscription of any co-subscribing Underwriter who for any reason does not satisfy all or part of its obligations.

## **25. LEGAL ACTION AGAINST UNDERWRITERS**

No one may bring a legal action against Underwriters unless:

There has been full compliance by the Insured with all of the terms of this Policy; and

The action is brought within two (2) years after the expiry or cancellation of this Policy.

## **26. MATERIAL CHANGES**

The Insured shall notify the Underwriters of any change of circumstances which would materially affect this Insurance.

## **27. EXPERTS FEES**

This Insurance includes, within the sum insured, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in reinstating or repairing the insured property following damage insured under this Policy.

## **28. LAW**

As specified in the Schedule.

## **29. JURISDICTION**

As specified in the Schedule.

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### 30. SERVICE OF SUIT

~~This Service of Suit Clause is only applicable to Insureds domiciled in the USA.~~

~~This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in the Arbitration provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance.~~

~~It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.~~

~~It is further agreed that service of process in such suit may be made upon underwriters representatives stated in the Schedule and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.~~

~~The above named are authorised and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.~~

~~Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named as the person to whom the said officer is authorised to mail such process or a true copy thereof.~~

### 31. NON USA LEGAL SERVICE

~~Any summons, notice or process to be served upon the Underwriters for the purpose of instituting any legal proceedings against them in connection with this insurance may be served upon {Missing} of {Missing} who have authority to accept service on their behalf.~~

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## BUSINESS INTERRUPTION EXTENSION

In consideration of the premium paid, and subject to the EXCLUSIONS, CONDITIONS AND LIMITATIONS of the Policy to which this Extension is attached, and also to the FOLLOWING ADDITIONAL CONDITIONS, EXCLUSIONS AND LIMITATIONS, this Policy is extended to cover loss resulting from necessary Interruption of Business caused by Direct Physical Loss or Damage, as covered by the Policy to which this Extension is attached, to the Property Insured.

In the event of such Direct Physical Loss or Damage, the Underwriters shall be liable for the actual loss sustained by the Insured resulting directly from such necessary Interruption of Business, but not exceeding the reduction in Gross Earnings, as defined hereafter, less charges and expenses which are not necessary during the Interruption of Business, for a period not to exceed the lesser of:

- (a) such length of time as would be required, with the exercise of due diligence and dispatch, to repair, rebuild or replace such part of the property as has been destroyed or damaged,  
or
- (b) twenty four (24) calendar months,

commencing with the date of such Direct Physical Loss or Damage and not limited by the expiration of this Policy.

Due consideration shall be given to the continuation of normal charges and expenses, including payroll expenses, to the extent necessary to resume operations of the Insured with the same operational capability as existed immediately before the loss.

### CONDITIONS

1. Direct Loss or Damage  
No claim shall be payable under this Extension unless and until a claim has been paid, or liability admitted, in respect of Direct Physical Loss or Damage to Property Insured under the Policy to which this Extension is attached and which gave rise to Interruption of Business.

This Condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a Deductible in said Policy which excludes liability for losses below a specified amount.

2. Values Declared (and Incorrect Declaration Penalty)

The premium for this Extension has been based on a statement of individual values declared to and agreed by the Underwriters at the inception of the Policy and stated in the Schedule.

If any of the individual values declared are less than the equivalent amount of the Co-insurance percentage, as stated in the Schedule, of the Interruption of Business values, then any recovery otherwise due hereunder shall be reduced in the same proportion that the individual value(s) declared bear to the value(s) that should have been declared and the Insured shall co-insure for the balance.

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### 3. Resumption of Operations

If the Insured could reduce the loss resulting from the Interruption of Business,

- (a) by complete or partial resumption of operation of the property,  
and/or
- (b) by making use of Merchandise, Stock (Raw, In Process or Finished), or any other property at the Insured's locations or elsewhere,  
and/or
- (c) by using or increasing operations elsewhere,

then such possible reduction shall be taken into account in arriving at the amount of loss hereunder.

### 4. Expenses to reduce Loss

This Extension also covers such expenses as are necessarily incurred for the purpose of reducing loss under this Extension (except expenses incurred to extinguish a fire), and, in respect of manufacturing risks, such expense, in excess of Normal, as would necessarily be incurred in replacing any Finished Stock used by the Insured to reduce loss under this Extension; but in no event to exceed the amount by which loss under this Extension is thereby reduced. Such expenses shall not be subject to the application of any contribution clause.

### EXCLUSIONS

This Extension does not insure against:

- 1. increase in loss resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation;
- 2. increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from the insured Interruption of Business, and then Underwriters shall be liable for only such loss as affects the Insured's earnings during, and limited to, the period of indemnity covered under this Policy;
- 3. increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder;
- 4. loss of market or any other consequential loss.

### LIMITATIONS

- 1. The Underwriters shall not be liable for more than the smaller of either:
  - (a) any specific Business Interruption Sum Insured stated in the Schedule,
  - or
  - (b) the Sum Insured stated in the Schedule, where such includes Business Interruption, if such is a combined limit,

in respect of such loss, regardless of the number of locations suffering an interruption of business as a result of any one occurrence.

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2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, by the perils insured against, the length of time for which the Underwriters shall be liable hereunder shall not exceed:
- (a) thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
  - (b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding eighteen (18) calendar months,
- whichever is the greater length of time.

## DEFINITIONS

1. Gross Earnings are for the assessment of premium and for adjustment in the event of loss defined as,  
The sum of:
- (a) total net sales value of production or sales of Merchandise,
  - and
  - (b) other earnings derived from the operations of the business, less the cost of
  - (c) Raw Stock from which production is derived,
  - (d) supplies consisting of materials consumed directly in the conversion of such Raw Stock into Finished Stock, or in supplying the services sold by the Insured,
  - (e) Merchandise sold including packaging materials therefor,
  - (f) materials and supplies consumed directly in supplying the service(s) sold by the Insured,
  - (g) service(s) purchased from outsiders (not employees of the Insured) for resale which do not continue under contract,
  - (h) the difference between the cost of production and the nett selling price of Finished Stock which has been sold but not delivered.

No other costs shall be deducted in determining Gross Earnings.

In determining Gross Earnings due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter had loss not occurred.

### 2. Raw Stock

Material in the state in which the Insured receives it for conversion into Finished Stock.

### 3. Stock in Process

Raw Stock which has undergone any ageing, seasoning, mechanical or other process of manufacture at the Insured's premises but which has not become Finished Stock.

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4. Finished Stock

Stock manufactured by the Insured which in the ordinary course of the Insured's business is ready for packing, shipment or sale.

5. Merchandise

Goods kept for sale by the Insured which are not the product of manufacturing operations conducted by the Insured.

6. Normal

The condition that would have existed had no loss occurred.

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Form approved by Lloyd's Market Association

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