



**OREGON MUTUAL INSURANCE COMPANY
BUSINESSOWNERS BED AND BREAKFAST
WASHINGTON**

M2333BW (7-11)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Schedule of Coverages included in this endorsement:

I. COMPREHENSIVE PERSONAL LIABILITY COVERAGES (see page 1)

Coverages	Limits of Liability
Comprehensive Personal Liability (including "Personal Injury" Liability)	each "occurrence"
Personal Medical Payments	each person each accident
Physical Damage to Property	\$ 1,000 each "occurrence"

II. LIQUOR LIABILITY COVERAGE (see page 9)

Limit of Liability Each Common Cause Subject to the General Aggregate Limit indicated in the Declarations.

III. LIABILITY FOR GUESTS' PROPERTY (see page 10)

\$ 25,000 any one "occurrence"
\$ 1,000 any one guest

IV. LOCK REPLACEMENT COVERAGE (see page 12)

\$ 2,500

I. COMPREHENSIVE PERSONAL LIABILITY COVERAGES

The Limits of Liability shown in the schedule of coverages apply to this section. Those limits shall not operate to increase the Limit of Insurance stated in the Businessowners Policy declarations for Liability and Medical Payments. In the event of an "occurrence" which would be covered both by **Section II – Liability** of the policy and by these Comprehensive Personal Liability Coverages, the limit of liability is the higher of the two amounts if they are different, or one of the limits of liability if they are the same. In no event shall both limits of liability apply.

A. COMPREHENSIVE PERSONAL LIABILITY

1. Part I – Personal Liability Coverages

a. Insuring Agreement

The company will pay on behalf of the "insured" all sums which the "insured" shall

become legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "occurrence", and the company shall have the right and duty to defend any "suit" against the "insured" seeking damages on account of such "bodily injury" or "property damage", even if any of the allegations of the "suit" are groundless, false or fraudulent, and may make such investigation and settlement of any claim or "suit" as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any "suit" after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

b. Exclusions

This coverage does not apply to:

- (1) "Bodily injury" or "property damage" arising out of any act or omission in connection with premises (other than the "insured premises") owned, rented or controlled by any "insured", but this exclusion does not apply to "bodily injury" sustained by any "residence employee" arising out of and in the course of employment by the "insured";
- (2) "Bodily injury" or "property damage" arising out of:
 - (a) "Business pursuits" of any "insured" except activities therein which are ordinarily incidental to non-business pursuits; or
 - (b) The rendering of or failing to render professional services;
- (3) "Bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, "loading or unloading" of:
 - (a) Any aircraft; or
 - (b) Any "motor vehicle" owned or operated by, or rented or loaned to any "insured"; but this subdivision (b) does not apply to "bodily injury" or "property damage" occurring on the "insured premises" if the "motor vehicle" is not subject to "motor vehicle" licensing because it is used exclusively on the "insured premises" or kept in dead storage on the "insured premises"; or
 - (c) Any "recreational motor vehicle" owned by any "insured", if the "bodily injury" or "property damage" occurs away from the "insured premises"; but this subdivision (c) does not apply to golf carts while used for golfing purposes.

This exclusion does not apply to "bodily injury" to any "residence employee" arising out of and in the course of employment by any "insured" except while such employee is engaged in the operation or maintenance of aircraft;

- (4) "Bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, "loading or unloading" of any watercraft:
 - (a) Owned by or rented to any "insured" if the watercraft has inboard or inboard-outboard motor power of more than 50 horsepower or is a sailing vessel (with or without auxiliary power) 26 feet or more in overall length; or

- (b) Powered by any outboard motor(s), singly or in combination, of more than 50 total horsepower, if such outboard motor(s) is owned by any "insured" at the inception of this endorsement and not declared in the Declarations, unless the "insured" reports in writing to this company within 45 days after acquisition his intention to insure the outboard motor or combination of outboard motors, ownership of which was acquired prior to the endorsement period;

- (c) Being used to transport any person who is a guest of the "insured's" Bed and Breakfast business.

This exclusion does not apply to:

- (a) "Bodily injury" or "property damage" occurring on the "insured premises"; or
 - (b) "Bodily injury" to any "residence employee" arising out of and in the course of employment by any "insured";
- (5) "Bodily injury" or "property damage" due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incidental to any of the foregoing, with respect to liability assumed by the "insured" under any contract or agreement or expenses for first aid under the Supplementary Payments provision;
 - (6) Liability assumed by the "insured" under any contract or agreement not in writing or under any contract or agreement in connection with "business pursuits" or professional services of the "insured" or in connection with "property damage" included within the "fire hazard";
 - (7) "Bodily injury" or "property damage" with respect to which an "insured" under this insurance is also an "insured" under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an "insured" under any such policy but for its termination upon exhaustion of its limit of liability;
 - (8) "Bodily injury" to any person, including a "residence employee", if the "insured" has a policy providing workers compensation or occupational disease benefits for such "bodily injury" or if benefits for such "bodily injury" are in

whole or in part either payable or required to be provided by the "insured" under any workers compensation or occupational disease law;

- (9) Sickness or disease of any "residence employee" unless prior to thirty-six months after the end of the policy period written claim is made or "suit" is brought against the "insured" for damages because of such sickness or disease or death resulting therefrom;

(10) "Property damage" to:

- (a) Property owned by the "insured"; or
(b) Property occupied or used by the "insured", rented to or in the care, custody or control of the "insured", or as to which the "insured" is for any purpose exercising physical control; but part (b) of this exclusion does not apply to "property damage" included within the "fire hazard";

(11) "Bodily injury" to:

- (a) An employee of the "insured", other than a "Residence Employee", whose employment is not subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51), arising out of and in the course of employment by the "insured"; or
(b) The spouse, child, parent, brother or sister of that employee as a consequence of (a) above.

This exclusion applies:

- (a) Whether the "insured" may be liable as an employer or in any other capacity; and
(b) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the "insured" under an insured contract.

- (12) "Bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, "loading or unloading" of any self-propelled land vehicle while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity;

- (13)(a) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (i) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any "insured";
(ii) At or from any premises, site or location which is or was at any time used by or for any "insured" or others for the handling, storage, disposal, processing or treatment of waste;
(iii) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any "insured" or any person or organization for whom you may be legally responsible; or
(iv) At or from any premises, site or location on which any "insured" or any contractors or subcontractors working directly or indirectly on any "insured's" behalf are performing operations:
a) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such "insured", contractor or subcontractor; or
b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

Subparagraphs (i) and (iv) a) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (b) Any loss, cost or expense arising out of any:
(i) Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

- (ii) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

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

2. Part II – Personal Injury Liability Coverage

a. Insuring Agreement

The company will pay on behalf of the "insured" all sums which the "insured" shall become legally obligated to pay as "damages" because of "personal injury" sustained by any person or organization.

b. Exclusions

This insurance does not apply to:

- (1) Liability assumed by the "insured" under any contract or agreement;
- (2) "Personal injury" arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of any "insured";
- (3) "Personal injury" sustained by any person as a result of an offense directly or indirectly related to the employment of such person by the named insured;
- (4) "Personal injury" arising out of any publication or utterance described above, if the first injurious publication or utterance of the same or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;
- (5) "Personal injury" arising out of a publication or utterance described above, concerning any organization or business enterprise, or its products or services, made by or at the direction of any "insured" with knowledge of the falsity thereof;
- (6) "Personal injury" arising out of "business pursuits" of any "insured" except activities therein which are ordinarily incident to non-business pursuits.

c. Additional Definitions

Under "Personal Injury", "damages" means only those damages which are payable because of "personal injury" arising out of an offense to which this insurance applies.

B. PERSONAL MEDICAL PAYMENTS

1. Insuring Agreement

The company will pay to or for each person who sustains "bodily injury" caused by accident, all reasonable "medical expense" incurred within one year from the date of the accident on account of such "bodily injury", provided such "bodily injury":

- a. Is sustained while on the "insured premises" with the permission of any "insured"; or
- b. Is sustained elsewhere; and
 - (1) Arises out of a condition in the "insured premises" or the ways immediately adjoining; or
 - (2) Is caused by any "insured", by any "residence employee" in the course of employment by an "insured", or by any animal owned by or in the care of any "insured"; or
 - (3) Is sustained by any "residence employee" and arises out of and in the course of employment by any "insured".

2. Exclusions

This coverage does not apply to:

- a. "Bodily injury" arising out of any act or omission in connection with premises (other than the "insured premises") owned, rented or controlled by any "insured", but this exclusion does not apply to "bodily injury" sustained by any "residence employee" arising out of and in the course of employment by any "insured";
- b. "Bodily injury" arising out of (1) "business pursuits" of any "insured" except activities therein which are ordinarily incidental to non-business pursuits or (2) the rendering of or failing to render professional services;
- c. "Bodily injury" arising out of the ownership, maintenance, operation, use, "loading or unloading" of:
 - (1) Any aircraft; or
 - (2) Any "motor vehicle" owned or operated by, or rented or loaned to any "insured"; but this subdivision (2) does not apply to "bodily injury" occurring on the "insured premises" if the "motor vehicle" is not subject to "motor vehicle" licensing because it is used exclusively on the "insured premises" or kept in dead storage on the "insured premises"; or
 - (3) Any "recreational motor vehicle" owned by any "insured", if the "bodily injury" occurs away from the "insured premises"; but this subdivision (3) does not apply to golf carts while used for golfing purposes.

This exclusion does not apply to "bodily injury" to any "residence employee" arising out of and in the course of employment by any "insured" except while such employee is engaged in the operation or maintenance of aircraft;

- d. "Bodily injury" arising out of the ownership, maintenance, operation, use, "loading or unloading" of any watercraft:
- (1) Owned by or rented to any "insured" if the watercraft has inboard or inboard-outboard motor power of more than 50 horsepower or is a sailing vessel (with or without auxiliary power) 26 feet or more in overall length; or
 - (2) Powered by any outboard motor(s), singly or in combination of more than 50 total horsepower, if such outboard motor(s) is owned by any "insured" at the inception of this endorsement and not declared in the Declarations, unless the "insured" reports in writing to this company within 45 days after acquisition his intention to insure the outboard motor or combination of outboard motors, ownership of which was acquired prior to the endorsement period.

This exclusion does not apply to:

- (1) "Bodily injury" occurring on the "insured premises"; or
 - (2) "Bodily injury" to any "residence employee" arising out of and in the course of employment by any "insured";
- e. "Bodily injury" due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing;
- f. "Bodily injury" to any person, including a "residence employee", if any person or organization has a policy providing workers compensation or occupational disease benefits for such "bodily injury" or if benefits for such "bodily injury" are in whole or in part either payable or required to be provided under any workers compensation or occupational disease law;
- g. "Bodily injury" to:
- (1) Any "insured" under part (a) of Persons Insured;
 - (2) Any person other than a "residence employee", regularly residing on any part of the "insured premises"; or
 - (3) Any person while on the "insured premises" because "business pursuits" are conducted or professional services are rendered on the "insured premises";

h. "Bodily injury" to:

- (1) An employee of the "insured", whose employment is not subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51), arising out of and in the course of employment by the "insured"; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the "insured" under an insured contract.

- i. "Bodily injury" arising out of the ownership, maintenance, operation, use, "loading or unloading" of any self-propelled land vehicle while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparations for any such contest or activity;
- j. This coverage does not apply if the word Excluded is shown in the schedule of this endorsement.

C. PHYSICAL DAMAGE TO PROPERTY

1. Insuring Agreement

The company will at its option either:

- a. Pay for the actual cash value of property physically injured or destroyed during the endorsement period by any "insured"; or
- b. Repair or replace such property with other property of like quality and kind, but the limit of the company's liability under this coverage for each "occurrence" shall not exceed the amount stated in the Declarations.

2. Exclusions

This coverage does not apply to injury or destruction:

- a. Of property owned by or rented to any "insured", any tenant of any "insured" or any resident of the named insured's household;
- b. Caused intentionally by any "insured" over twelve years old;
- c. Arising out of:
 - (1) Any act or omission in connection with premises (other than the "insured premises") owned, rented or controlled by any "insured";

- (2) "Business pursuits" or professional services; or
- (3) The ownership, maintenance, operation, use, "loading or unloading" of any self-propelled land vehicle, trailer or semi-trailer, farm machinery or equipment, aircraft or watercraft.

D. PERSONS INSURED

Each of the following is an "insured" under this insurance to the extent set forth below:

- 1. The named insured and, if residents of the named insured's household, the named insured's spouse, the relatives of either, and any other person under the age of twenty-one in the care of any "insured"; but with respect to any animal, watercraft or vehicle, not owned by any such "insured", only while using or having custody or possession of such animal, watercraft or vehicle with the permission of the owner;
- 2. Under the Personal Liability Coverage and the Personal Medical Payments Coverage, with respect to animals or watercraft to which this insurance applies, owned by any "insured", any person or organization legally responsible therefore, except a person or organization using or having custody or possession of any such animal or watercraft in the course of that person's "business pursuits" or without the permission of the owner;
- 3. Under the Personal Liability Coverage and the Personal Medical Payments Coverage, with respect to any vehicle to which this insurance applies, any employee of any "insured" while engaged in the employment of the "insured".

E. LIMITS OF LIABILITY

Regardless of the number of:

- 1. "Insureds" under this endorsement;
- 2. Persons or organizations who sustain "bodily injury" or "property damage"; or
- 3. Claims made or "suits" brought on account of "bodily injury" or "property damage", the company's liability is limited as follows:

Comprehensive Personal Liability. The limit of liability stated in the Schedule as applicable to each "occurrence" is the total limit of the company's liability under this coverage for all damages, including damages for care and loss of services, as the result of any one "occurrence".

Personal Medical Payments. The limit of liability stated in the Schedule as applicable to each person is the limit of the company's liability under this coverage for all "medical expense" for "bodily injury" to any one person as the result of any one accident; but subject to the above provision respecting each person, the total liability of the company for all "medical expense"

for "bodily injury" to two or more persons as the result of any one accident shall not exceed the limit of liability stated in the Schedule as applicable to each accident.

F. DEFINITIONS

When used in reference to this insurance:

- 1. "Bodily injury" means "bodily injury", sickness or disease, except sickness or disease which is caused by an "insured" through sexual contact, sustained by any person which occurs during the endorsement period, including death at any time resulting therefrom;
- 2. "Business property" means:
 - a. All premises, other than residence premises, maintained or used for conducting "business pursuits", including farming or furnishing professional services;
 - b. That portion of "residence premises" maintained or used for such purposes; and
 - c. All premises, if the whole or any part thereof is rented to others or held for such rental by any "insured", but the following shall not be considered as changing premises which are not otherwise "business property" into "business property":
 - (1) The occasional rental or holding for rental of the "residence premises",
 - (2) The rental or holding for rental of a part of the "residence premises" for dwelling purposes, unless for the accommodation of three or more roomers or boarders,
 - (3) The rental or holding for rental of car spaces or stalls in garages or stables on the "insured premises",
 - (4) The rental or holding for rental of a part of the "residence premises" as an office, school or studio.
- 3. "Business pursuits" means:
 - a. Any full or part-time trade, profession or occupation including farming or the rental of any property to others;
 - b. Providing home day-care services, for compensation, to a person or persons other than the "insured";
 - c. The operation of a Bed and Breakfast business.

But it does not mean:

 - a. The occasional rental for residential purposes, of the portion of the "insured premises" normally occupied exclusively by your household;
 - b. Mutual exchange of home day care services; or
 - c. The rendering of home day care services by an "insured" to a relative of an "insured".

4. "Fire hazard" includes "property damage" to any "insured premises" and to house furnishing therein if such "property damage" arises out of fire, explosion, or smoke or smudge caused by sudden, unusual and faulty operation of any heating or cooking unit;
 5. "Insured" means any person or organization qualifying as an "insured" in the Persons Insured provision of this endorsement. The insurance afforded applies separately to each "insured" against whom claim is made or "suit" is brought, except with respect to the limits of the company's liability;
 6. "Insured premises" means:
 - a. All "residence premises" and private approaches thereto;
 - b. All other premises and private approaches thereto for use of the named insured or the named insured's spouse in connection with the "residence premises";
 - c. Individual or family cemetery plots or burial vaults;
 - d. Premises on which an "insured" is temporarily residing, if not owned by any "insured"; and
 - e. Vacant land, other than farm land, owned by or rented to any "insured", including such vacant land on which a one or two family dwelling is being constructed by an "insured" for use as a residence by any "insured", or by an independent contractor for an "insured"; but "insured premises" does not include any "business property";
 7. "Medical expense" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services;
 8. "Motor vehicle" means a land "motor vehicle", trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto) but does not include, except while being towed by or carried on a "motor vehicle", any of the following: utility, boat, camp or home trailer, "recreational motor vehicle", crawler or farm type tractor, farm implement or, if not subject to "motor vehicle" licensing, any equipment which is designed for use principally off public roads;
 9. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in "bodily injury" or "property damage" neither expected nor intended from the standpoint of the "insured";
 10. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses: false arrest, detention or imprisonment; malicious prosecution; the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, by or on behalf of its owner, landlord or lessor; oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or oral or written publication of material that violates a person's right of privacy.
 11. "Property Damage" means physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
 12. "Recreational motor vehicle" means:
 - a. Golf cart or snowmobile; or
 - b. If not subject to "motor vehicle" licensing, any other land "motor vehicle" designed for recreational use off public roads;
 13. "Residence employee" means an employee of any "insured" whose duties are in connection with the maintenance or use of the "insured premises", including the performance of household or domestic services, or who performs duties elsewhere of a similar nature not in connection with any "insured's business pursuits";
 14. "Residence premises" means:
 - a. A one or two family dwelling where the named insured or the named insured's spouse maintains a residence; or
 - b. That portion of any other building occupied by the named insured or the named insured's spouse as a residence.
- G. SUPPLEMENTARY PAYMENTS**
- The company will pay, in addition to the applicable limit of liability:
1. All expenses incurred by the company, all costs taxed against the "insured" in any "suit" defended by the company and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;
 2. Premiums on appeal bonds required in any such "suit" and premiums on bonds to release attachments in any such "suit" for an amount not

in excess of the applicable limit of liability of this endorsement, but the company shall have no obligation to apply for or furnish any such bonds;

3. Expenses incurred by the "insured" for first aid to others at the time of an accident, for "bodily injury" to which this coverage applies;
4. Reasonable expenses incurred by the "insured" at the company's request in assisting the company in the investigation or defense of any claim or "suit", including actual loss of earnings not to exceed \$250 per day.

H. **CONDITIONS**

1. None of the terms of the Businessowners Coverage Form except the Cancellation Condition apply to the insurance afforded by the Comprehensive Personal Liability. None of the terms of the Comprehensive Personal Liability apply to the coverage afforded by the Businessowners Coverage Form.
2. **"Insured's" Duties** in the Event of "Occurrence", Claim or "Suit" - Comprehensive Personal Liability and Personal Medical Payments.
 - a. In the event of an "occurrence", written notice containing particulars sufficient to identify the "insured" and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the "insured" to the company or any of its authorized agents as soon as practicable.
 - b. If claim is made or "suit" is brought against the "insured", the "insured" shall immediately forward to the company every demand, notice, summons or other process received.
 - c. The "insured" shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of "suits" and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the "insured" because of injury or damage with respect to which insurance is afforded under this endorsement; and the "insured" shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The "insured" shall not, except at the insured's own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

3. **Medical Reports; Proof and Payment of Claim – Comprehensive Personal Liability.** As soon as practicable the injured person, or someone on the injured person's behalf shall give to the company written proof of claim, under oath if required, and shall, after each request from the company, execute authorization to enable the company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the company when and as often as the company may reasonably require. The company may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute admission of liability of any person or, except hereunder, of the company.
4. **Insured's Duties When Loss Occurs – Physical Damage to Property.** When loss occurs, the "insured" shall give written notice as soon as practicable to the company or any of its authorized agents, file sworn proof of loss with the company within ninety-one days after the "occurrence" of loss, exhibit the damaged property, if within his control, and cooperate with the company in all matters pertaining to the loss or claims with respect thereto.
5. **Action Against Company.** No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this endorsement, nor until the amount of the "insured's" obligation to pay shall have been finally determined either by judgment against the "insured" after actual trial or by written agreement of the "insured", the claimant and the company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover to the extent of the insurance afforded herein. No person or organization shall have any right to join the company as a party to any action against the "insured" to determine the "insured's" liability, nor shall the company be impleaded by the "insured" or the insured's legal representative. Bankruptcy or insolvency of the "insured" or of the "insured's" estate shall not relieve the company of any of its obligations hereunder.
6. **Other Insurance.** The insurance afforded by this endorsement is primary insurance, except that with respect to "bodily injury" or "property damage" arising out of the ownership,

maintenance, operation, use, "loading or unloading" of any "motor vehicle", "recreational motor vehicle" or watercraft to which this insurance applies. This insurance shall be excess over any other valid and collectible insurance available to the "insured".

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the company shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

- a. **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.
- b. **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than the applicable limit of liability for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.
7. **Subrogation.** If the insured has rights to recover all or part of any payment we have made under this endorsement, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "**suit**" or transfer those rights to us and help us enforce them. This condition does not apply to Personal Medical Payments Coverage.
8. **Changes.** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this coverage or estop the company from asserting any right under the coverage terms; nor shall the terms be waived or changed, except by endorsement issued to form a part hereof.
9. **Assignment.** Assignment of interest under this coverage shall not bind the company until its consent is endorsed hereon; if, however, the named insured shall die, such insurance as is afforded shall apply:

- a. To the named insured's legal representative, as the named insured, but only while acting within the scope of the legal representative's duties;
- b. With respect to the property of the named insured, to the person having proper temporary custody thereof, as "insured", but only until the appointment and qualification of the legal representative;
- c. To the deceased's spouse, as "insured", if a resident of the "insured premises" at the time of such death; and
- d. To any other persons described in paragraph (a) of the Persons Insured Provision, as "insured", but only while such other person is a resident of the "insured premises".

II. LIQUOR LIABILITY COVERAGE

Section II – Liability is amended as follows:

- A. The insurance provided under Paragraph **A.1. Business Liability**, also applies to all "bodily injury" or "property damage" arising out of the selling, serving or furnishing of alcoholic beverages.
- B. For the insurance provided by this endorsement only, Paragraph **B. Exclusions** is amended as follows:
 1. Paragraph **1. Applicable To Business Liability Coverage**, other than Exclusions **a. Expected Or Intended Injury**, **d. Workers' Compensation And Similar Laws** and **e. Employer's Liability**, does not apply.
 2. The following exclusions are added:

This insurance does not apply to:

 - a. "Bodily injury" or "property damage" arising out of any alcoholic beverage sold, served or furnished while any required license is suspended or after such license expires, is cancelled or revoked.
 - b. "Bodily injury" or "property damage" arising out of "your product". This exclusion does not apply to "bodily injury" or "property damage" for which the insured or the insured's indemnitees may be held liable by reason of:
 - (1) Causing or contributing to the intoxication of any person;
 - (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

- c. Any "bodily injury" or "property damage" with respect to which other insurance is afforded, or would be afforded but for the exhaustion of the limits of insurance.

This exclusion does not apply if the other insurance responds to liability for "bodily injury" or "property damage" imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

C. The following are added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance:**

D. Liability And Medical Expenses Limits Of Insurance

6. Subject to the General Aggregate Limit shown on the Declarations, the Each Common Cause Limit shown in the Schedule of this endorsement is the most we will pay for all "bodily injury" or "property damage" sustained by one or more persons or organizations as the result of the selling, serving or furnishing of alcoholic beverages to any one person.

The Liability And Medical Expenses Limit Of Insurance shown in the Declarations does not apply to damages arising out of the selling, serving or furnishing of alcoholic beverages.

Paragraph **B.4** of the BUSINESSOWNERS AMENDATORY ENDORSEMENT is replaced by the following:

4. Paragraph **D.4 Aggregate Limits** is replaced by the following:

4. Aggregate Limits

The most we will pay for:

- a. All "bodily injury" or "property damage" that is included in the "products-completed operations hazard" is the amount shown in the Declarations as the Products-Completed Operations Aggregate Limit; and
- b. All:
- (1) "Bodily injury" or "property damage" except damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard";
 - (2) Plus "bodily injury" or "property damage" covered under the Liquor Liability Coverage;
 - (3) Plus medical expenses;
 - (4) Plus all "personal and advertising injury" caused by offenses committed;

is the amount shown in the Declarations as the General Aggregate Limit.

These Aggregate Limits do not apply to "property damage" to premises while rented to you or temporarily occupied by you with the permission of the owner, arising out of fire or explosion.

The Limits of Insurance of **Section II – Liability** apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

III. LIABILITY FOR GUESTS PROPERTY

A. **Coverage** – We will pay those sums that you become legally obligated to pay as damages because of loss or destruction of, or damage to Covered Property. We have the right and duty to defend any "suit" brought against you seeking damages that are payable under this insurance.

1. **Covered Property:** Any property, other than that specified as Property Not Covered, belonging to your guests while the property is in the "premises" or your possession.
2. **Property Not Covered**
 - a. Samples, Articles for Sale: Samples or articles carried or held for sale or for delivery after sale.
 - b. Vehicles: Any vehicle including:
 - (1) Its equipment and accessories; and
 - (2) Any property contained in or on a vehicle.
3. **Supplementary Payments:** If we defend any "suit", we will pay with respect to:
 - a. Expenses
 - (1) Reasonable expenses you incur at our request;
 - (2) Expenses we incur; and
 - (3) Costs charged against you.
 - b. Interest
 - (1) Interest on the full amount of any judgment that accrues:
 - (a) After entry of the judgment; and
 - (b) Before we pay, offer to pay or deposit in court that part of the judgment for which we are liable under this insurance.
 - (2) Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- c. Loss of Wages or Salary: Actual loss of wages or salary (but not other income) because of required attendance at hearings or trials connected with the "suit". But, we will not pay more than \$100 per day under this part of the Supplementary Payments.
- d. Premiums for Bonds: Premiums for the following types of bonds having penalties totaling not more than the Limit of Insurance shown in the Declarations;
 - (1) Appeal bonds required in the "suit"; and
 - (2) Bonds to release attachments.
 But, we do not have to apply for or furnish those bonds.

Our liability for Supplementary Payments is in addition to the Limit of Insurance.

B. LIMIT OF INSURANCE

- 1. The most we will pay in the aggregate for all damages because of loss or destruction of or damage to Covered Property in any one "occurrence" is \$25,000.
- 2. Subject to the applicable limit stated in 1. above, the most we will pay for all damages because of loss or destruction of or damage to property of any one guest is \$1,000.

All loss, destruction or damage involving a single act or series of related acts whether caused by one or more persons is considered one "occurrence".

C. DEDUCTIBLE

We will deduct \$50 from the amount payable for loss or destruction of or damage to property of each guest.

D. EXCLUSIONS, CONDITIONS, DEFINITIONS:

This insurance is subject to the following:

- 1. **Exclusions:** We will not pay for damages arising out of, or the defense of any "suit" connected with, any of the following:
 - a. Acts Committed By You Or Your Partners: Loss or destruction of, or damage to property resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
 - b. Assumed Liability: Liability you assume under any written agreement. But this exclusion does not apply to any written agreement entered into with a guest before the "occurrence" of any loss, destruction or damage that increases to an amount not exceeding \$1,000 any lesser amount for which you may otherwise be liable under any statute.

- c. Fire: Destruction of, or damage to property resulting from fire.
- d. Food Or Liquid: Destruction of, or damage to property resulting from the spilling, upsetting or leaking of any food or liquid.
- e. Governmental Action: Loss or destruction of, or damage to property resulting from seizure or destruction of the property by order of governmental authority.
- f. Inherent Vice: Destruction of or damage to property resulting from insects, animals, wear and tear, gradual deterioration or inherent vice.
- g. Laundering Or Cleaning: Destruction of, or damage to property while in your care and custody for laundering or cleaning.
- h. Nuclear: Loss or destruction of, or damage to property resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
- i. Release Of Others From Liability: Your release of any other person or organization from legal liability.
- j. War and Similar Actions: Loss or destruction of, or damage to property resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

2. **Conditions:**

- a. Bankruptcy: Your or your estate's bankruptcy or insolvency will not relieve us of our obligations under this insurance.
- b. Defense, Investigation and Settlement:
 - (1) We may investigate and settle any claim or "suit" as we deem expedient.
 - (2) We will not defend any "suit" after having paid judgments or settlements equal to the applicable Limit of Insurance shown in the Declarations.
- c. Duties in the Event of Loss, Claim, or "Suit" In the event of loss, claim or "suit" you must:
 - (1) Notify us promptly of any loss, destruction or damage that may result in a claim;
 - (2) Give us prompt, written notice of any claim made or "suit" brought against you and:
 - (a) Send us immediately, copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (b) Authorize us to obtain records and other information; and
 - (c) Cooperate with us in the defense, investigation or settlement of the claim or "suit".

You may not voluntarily make a payment, assume any obligation or incur any expense without our consent.

If you have reason to believe that any loss or destruction of, or damage to Covered Property involves a violation of law, you must notify the police.

d. Joint Insured

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

(2) If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

(3) We will not pay more for damages for which more than one Insured is liable than the amount we would pay if one Insured were liable for the damages.

e. Legal Action Against Us

No person or organization has a right under this insurance:

(1) To name us as a co-defendant in a "suit" asking for damages from you; or

(2) To sue us on this insurance unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you obtained after an actual trial. But, we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

f. Non-Cumulation of Limit of Insurance

Limits of Insurance stated in Paragraphs B,1 and B,2 do not cumulate from year to year or period to period.

g. Other Insurance

This insurance does not apply to damages recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the damages, this insurance will apply to that part of the damages not recoverable or recovered under the other insurance.

h. Policy Period

(1) The Policy Period is the period shown in the policy Declarations.

(2) We will pay only for damages because of loss or destruction of, or damage to Covered Property occurring during the Policy Period.

i. Territory

We will pay only for damages because of your legal liability for loss or destruction of, or damage to Covered Property occurring within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone or Canada.

j. Transfer of Your Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this endorsement, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Personal Medical Payments Coverage.

3. **Definitions:**

With respect to this liability for guests' property coverage:

a. "Occurrence" means an:

(1) Act or series of related acts involving one or more persons; or

(2) Act or event, or a series of related acts or events not involving any person.

b. "Premises" means the interior of that portion of any building at a location shown in the policy Declarations that you occupy in conducting your business.

IV. Lock Replacement Coverage

The following is added to Paragraph **A.5. Additional Coverages of Section I – Property:**

s. Lock Replacement

We will pay the necessary expenses you incur to replace locks for motel rooms resulting from theft or copying of keys or any other legitimate security concern. The most we will pay under this Additional Coverage during each policy period is \$2,500.

This insurance does not apply to loss caused by:

(1) Vandalism; or

(2) Wear and Tear.

Lock replacement coverage is not subject to a deductible.