



OREGON MUTUAL INSURANCE COMPANY
GENERAL LIABILITY
CLUSTER ENDORSEMENT

M2887L (12-16)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

COVERAGE SUMMARY

This is a summary of the coverages provided by this endorsement. This coverage is subject to the provisions applicable to the Common Policy Conditions, Commercial General Liability Coverage Form (CG 00 01), and Mutual Policy Conditions. Coverage in those forms is either replaced or extended to provide the coverages described in this endorsement. All definitions and exclusions in forms identified above also apply unless otherwise specifically changed herein. Defined terms appear in quotes. If there is coverage for the same loss or damage in either the Commercial General Liability Coverage Form or other endorsements attached to this policy, the limits provided in this endorsement will be paid in excess of those other limits.

Such person(s) or organization(s) is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- (1) Your acts or omissions; or
(2) The acts or omissions of those acting on your behalf.

However, the insurance afforded to such additional insured:

- i. Only applies to the extent permitted by law; and
ii. Will not be broader than that which you are required by the "insured contract"; or
iii. Will not be broader than that which you are required by the contract or agreement with the additional insured.

Refer to the following pages for coverage details.

Table with 2 columns: Coverage description and Amount/Status. Includes Automatic Additional Insured, Damage To Temporary Structures (\$25,000), Primary and Noncontributory Insurance, Product Recall (\$25,000), Reasonable Force, Unintentional Failure To Disclose Hazards, and Waiver Of Subrogation.

AUTOMATIC ADDITIONAL INSURED

The following is added under SECTION II - WHO IS AN INSURED:

- 4. The following are included as additional insureds:
a. Any person or organization with whom you have entered into an "insured contract", agreement, or permit; and
b. Have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an additional insured on your policy; and
c. Where a certificate of insurance showing such person(s) or organization(s) as an additional insured has been issued; and
d. When the "insured contract" and the certificate are currently effective or become effective during the term of the policy and are executed prior to the "bodily injury", "property damage", or "personal and advertising injury".

DAMAGE TO TEMPORARY STRUCTURES

- A. Under SECTION I - COVERAGES, 2. Exclusions, Paragraph j. Damage To Property, Paragraphs (3) and (4) do not apply to temporary structures loaned or rented to you, while in your care, custody or control.
B. Limits of Insurance
The most we will pay for damage to temporary structures under this coverage is \$25,000.

PRIMARY AND NONCONTRIBUTORY INSURANCE

The following is added to SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance:

The following is added to the Other Insurance Condition and supersedes any provision to the contrary:

- A. This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:
1. The additional insured is a Named Insured under such other insurance; and
2. You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

PRODUCT RECALL

A. Coverage

We will reimburse you for "product recall expenses" incurred by you because of a "product recall" to which this insurance applies.

Under **SECTION I – COVERAGES, 2. Exclusions, Paragraph n. Recall Of Products, Work Or Impaired Property** is replaced with:

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

1. "Your product", or
2. "Your work"; or
3. "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected "defect", deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expense" that you incur due to a covered "product recall" of "your product".

B. Exclusions

This insurance does not apply to "product recall expense" arising out of:

1. Breach of warranty and failure to conform to intended purpose. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or "property damage" to tangible property other than "your product".
2. Infringement of copyright, patent, trade secret, trade dress, or trademark.
3. Deterioration, decomposition, or chemical transformation. This exclusion does not apply if it is caused by:
 - (a) An error in manufacturing, design, or processing; or
 - (b) Transportation of "your product"; or
 - (c) "Product tampering"; or
4. Loss of goodwill, market share, revenue, "profit", or costs of redesigning "your product"; or
5. Expiration of shelf life; or
6. A known defect if it was known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this coverage was first issued, or prior to the time "your product" leaves your control or possession; or
7. A recall for products which have been otherwise excluded under "bodily injury" or "property damage"; or

8. A recall initiated because "your product" or a portion of "your product" has been banned from the market by an authorized government entity prior the date this "product recall" coverage was first issued, or distributed and sold by you subsequent to any government ban; or
9. The defense of a claim or "suit" against you for liability arising out of a "product recall"; or
10. Any compensatory damages, fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.

C. Limits of Insurance

The most we will pay for losses occurring in any one "product recall" is \$25,000.

D. Definitions

1. "Defect" means a "defect", deficiency or inadequacy that creates a dangerous condition.
2. "Product recall" means the recall or withdrawal of "your product" from the market or from use by any other person or organization because of known or suspected "defects" which has caused or is reasonably expected to cause "bodily injury" or "physical damage" to tangible property other than "your product". Electronic data is not tangible property.
3. "Product recall expense" means those reasonable and necessary extra expenses listed below, paid and directly related to a "product recall":
 - (a) Costs of notification;
 - (b) Costs of stationary, envelopes, production of announcements and postage or facsimiles;
 - (c) Costs of overtime paid to your regular non-salaried employees and costs incurred by such employees, including costs of transportation and accommodations;
 - (d) Costs of computer time;
 - (e) Costs of hiring independent contractors and other temporary employees;
 - (f) Costs of transportation, shipping or packaging;
 - (g) Costs of warehouse or storage space; or
 - (h) Costs of proper disposal of "your products" or products that contain "your products", that cannot be reused, not exceeding your initial purchase price or your cost to produce the product whichever is less.

4. "Product tampering" means an act of intentional alteration of "your product" which has caused or is reasonably expected to cause "bodily injury" or "property damage" to tangible property other than "your product".

When "product tampering" is known, suspected, or threatened, a "product recall" will be limited to those batches of "your product" known or suspected to have been tampered with.

For the purposes of this insurance, electronic data is not tangible property.

5. "Profit" means the positive gain from business operation after subtracting for all expenses.

REASONABLE FORCE

Under **SECTION I – COVERAGES, 2. Exclusions,** Paragraph **a. Expected Or Intended Injury** has been replaced with:

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect any persons or property.

UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

The following is added to **SECTION IV. – COMMERCIAL GENERAL LIABILITY CONDITIONS,** Paragraph **6. Representations:**

Any unintentional failure to disclose all exposures or hazards existing as of the effective date of the Commercial General Liability Coverage Form or at any time during the policy period will not invalidate or adversely affect the coverage for such exposure or hazard. However, you must report the undisclosed exposure or hazard to us as soon as reasonably possible after the exposure or hazard is discovered.

WAIVER OF SUBROGATION

The following is added to **SECTION IV. – COMMERCIAL GENERAL LIABILITY CONDITIONS,** Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us:**

This condition does not apply to any person or organization to which you waived this condition by written contract or agreement, but only to the extent that subrogation is waived prior to the "bodily injury" or "property damage" under a contract with that person or organization.