



## Ohio Government Risk Management Plan Terrorism Master Policy Declarations

**Named Member**

See Member Terrorism Coverage Certificate  
 c/o Ohio Government Risk Management Plan  
 811 Madison Avenue  
 P.O. Box 2083  
 Toledo, OH 43603-2083

**Certificate Number**

See Member Terrorism Coverage Certificate

**Policy Period**

Effective Date            11/1/2007  
 Expiration Date        11/1/2008  
                                  12:01 a.m. standard time at the location of  
                                  the Member's premises.

**Regional Risk Manager**

See Member Terrorism Coverage Certificate

**Annual Premium**

Included

In consideration of the payment of the premium shown above, we agree with you to provide coverage as stated in the policy. Coverage Limits provided below along with the Coverage Form and Endorsements make up the complete Terrorism Master Policy.

### SECTION 1 - TERRORISM PROPERTY DAMAGE, BUSINESS INTERRUPTION, EXTRA EXPENSE AND RENTAL VALUE

<b><u>Real and Personal Property</u></b>	<b><u>Coverage Limit/Deductible</u></b>
Each and Every Occurrence	\$ 70,000,000
Aggregate	\$250,000,000
<b><u>Business Interruption</u></b>	Included in limits above
<b><u>Extra Expense</u></b>	Included in limits above
<b><u>Rental Value</u></b>	Included in limits above
<b><u>Sublimit(s)</u></b>	
Biological or Chemical Contamination Clean Up Costs	
Each and Every Occurrence	\$ 1,000,000
Aggregate	\$ 1,000,000
<b><u>Deductible</u></b>	
Each and Every Occurrence	\$ 25,000

### SECTION 2 – TERRORISM LIABILITY COVERAGE

<b><u>Bodily Injury and Property Damage</u></b>	<b><u>Coverage Limit/Deductible</u></b>
Each and Every Occurrence	\$ 1,000,000
Aggregate	\$ 3,000,000
<b><u>Deductible</u></b>	
Each and Every Claim	\$ 10,000

# Ohio Government Risk Management Plan Terrorism Master Policy Coverage Forms and Endorsements

GT0001DEC(11/06)	Terrorism Master Policy Declarations
GT0002LST(11/06)	Coverage Forms and Endorsements
GT0100(11/06)	Terrorism Coverage Form

# TERRORISM COVERAGE FORM

## COVERAGE AGREEMENT

### SECTION 1: TERRORISM PROPERTY DAMAGE, BUSINESS INTERRUPTION, EXTRA EXPENSE AND RENTAL VALUE

#### A. Terrorism Property Damage

Subject to the Exclusions, Conditions and limitations hereinafter contained, this policy issued by the Ohio Governmental Risk Management Plan (herein after referred to as "The Ohio Plan") covers real and personal property of the Member, including property of others in the Member's care, custody and control for which the Member is in any way responsible to provide coverage, as stated in the Ohio Government Risk Management Plan Terrorism Master Policy Declarations (hereinafter referred to as the "Declarations") attaching to and forming part of this policy against physical loss or physical damage occurring during the Policy Period caused by an Act of Terrorism or Sabotage and ensuing fire loss or damage at property owned by the Named Member and located at any premises specified in the policy issued by The Ohio Plan administrator.

#### B. Business Interruption Extension

Subject to the Exclusions, Conditions and limitations hereinafter contained, this policy is extended to cover loss resulting from necessary interruption of business caused by direct physical loss or damage by an Act of Terrorism or Sabotage, as covered by the policy to which this Extension is attached, to property covered by this policy.

In the event of such direct physical loss or damage, The Ohio Plan shall be liable for the actual loss sustained by the Member 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 Period of Restoration.

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 Member with the same operational capability as existed immediately before the 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 Member 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.

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, including data thereon, by the perils covered, the length of time for which The Ohio Plan shall be liable hereunder shall not exceed:

1. 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
2. the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, not exceeding twelve (12) calendar months,

whichever is less.

#### C. Extra Expense Extension

Subject to the Exclusions, Conditions and limitations hereinafter contained, this policy is extended to cover the necessary Extra Expense incurred by the Member during the Period of Restoration in order to continue as nearly as practicable the Normal operations of the Member's operation following direct physical loss or damage by an Act of Terrorism or Sabotage to property, as covered by the policy to which this Extension is attached.

Any salvage value of property obtained for temporary use during the Period of Restoration, which remains after the resumption of Normal operations, shall be taken into consideration in the adjustment of any loss hereunder.

The Ohio Plan shall not be liable under this Extra Expense Extension for:

1. loss of income;
2. the cost of repairing or replacing any real or personal property, or the cost of research or other expense necessary to replace or restore books of account, abstracts, drawings, card index systems or other records (including film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing) that have been lost or damaged by peril(s) covered by this policy, except cost in excess of the Normal cost of such repair, replacement or restoration necessarily incurred for the purpose of reducing loss under this policy. In no event shall such excess cost exceed the amount by which the total Extra Expense loss otherwise payable under this policy is thereby reduced; or
3. any other consequential or remote loss.

#### **D. Rental Value Extension**

Subject to the Exclusions, Conditions and limitations hereinafter contained, this policy is extended to cover loss of Rental Value resulting directly from necessary untenability caused by direct physical loss or damage by an Act of Terrorism or Sabotage, as covered by the policy to which this Extension is attached, to property covered by this policy.

The Ohio Plan shall be liable for the actual loss sustained by the Member resulting directly from such necessary untenability, but not exceeding the reduction in Rental Value, less charges and expenses which are not necessary during the period of untenability during the Period of Restoration.

#### **E. Chemical or Biological Contamination Clean Up Costs Extension**

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, Section 1 of the policy is extended to cover chemical or biological contamination clean-up costs:

1. It is agreed that if the property covered by Section 1 of the policy is contaminated by any chemical or biological release or exposure as a direct result of physical loss of or physical damage to such property occurring during the Policy Period caused by an Act of Terrorism or Sabotage involving the use of a chemical, bio-chemical or biological weapon, then this policy will reimburse the Member for the costs of removing, nullifying, cleaning-up, containing or controlling such contamination.

However, this Extension applies only to that part of covered property so contaminated as a direct result of the physical loss or physical damage described in the immediately preceding paragraph.

2. In no event shall The Ohio Plan be liable under this Extension for the costs of removing, nullifying, cleaning-up, containing or controlling any such contaminants on property not covered by this policy or on the property of third parties (including the soil and water under such property or the air above such property).

3. The coverage under this Extension applies notwithstanding Exclusions 5 and 6 which otherwise remain in full force and effect.
4. The Ohio Plan shall not be liable under this Extension for more than the Sublimit specified in the Declarations or \$1,000,000 in respect of each and every Occurrence and in the aggregate for the Policy Period.

## **SECTION 2: TERRORISM LIABILITY**

### **Terrorism Liability**

Subject to the Exclusions, Conditions and limitations hereinafter contained, The Ohio Plan agrees to indemnify the Member in respect of the Member's operation, for their Ultimate Net Loss, not exceeding the Coverage Limit as stated in the Declarations, by reason of the liability imposed upon the Member by law for damages in respect of a Claim, arising out of an Occurrence as defined herein that took place during the Policy Period, for Bodily Injury and/or Property Damage resulting solely and directly from an Act of Terrorism or Sabotage provided such Claim is first received by the Member during the Policy Period set out in the Declarations or the Member gives written notification to The Ohio Plan of the discovery of a circumstance likely to give rise to a claim covered hereunder that is reported to the Ohio Plan within ninety (90) days of the Expiration Date of the policy.

### **CONDITIONS**

#### **A. Section 1 and 2 of this policy are subject to the following Conditions:**

1. Other Coverage or Insurance

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

2. Protection Maintenance

It is agreed that any protection provided for the safety of the property covered 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 Ohio Plan without its consent.

3. Due Diligence

The Member (or any agent, sub or co-contractor of the Member) shall at all times and at their own expense use due diligence and do (and concur in doing and permit to be done) all things reasonably practicable (including but not limited to precautions to protect or remove the property and interests covered herein) to avoid or diminish any loss herein covered.

4. Notification Of Claims

As a condition precedent to coverage under this policy The Member, upon knowledge of any Occurrence or circumstance likely to give rise to a Claim hereunder, shall give immediate written advice thereof to The Ohio Plan and or the Regional Risk Manager, named in the Declarations, who is to advise The Ohio Plan within seventy two (72) hours of such knowledge of any Occurrence.

5. Onus Of Proof

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 Member.

6. Prevention Of Further Claims

As soon as the Member becomes aware of an Occurrence or receives a Claim, the Member 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.

7. False Or Fraudulent Claims

If a Member 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 hereunder shall be forfeited for that Member.

8. 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.

9. Subrogation

If The Ohio Plan become liable for any payment under this policy in respect of loss, injury or damage The Ohio Plan shall be subrogated, to the extent of such payment, to all the rights and remedies of the Member against any party in respect of such loss, injury or damage and shall be entitled at their own expense to sue in the name of the Member. The Member shall give to The Ohio Plan all such assistance in the Member's power as The Ohio Plan may require to secure their rights and remedies and, at The Ohio Plan's request shall execute all documents necessary to enable The Ohio Plan effectively to bring suit in the name of the Member including the execution and delivery of the customary form of loan receipt.

10. Assignment

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

11. Cancellation

This policy is non cancellable except when any political subdivision or entity, which has purchased a policy with Building and Personal Property coverage from The Ohio Plan, allows such coverage to lapse or cease due to expiration, cancellation or non-renewal by any Member and such political subdivision or entity is no longer a Member under this contract from the date coverage lapses or ceases. In such case, this coverage is cancelled from that date.

12. Arbitration

If the Member and The Ohio Plan 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 Member and The Ohio Plan 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.

### 13. Limit Of Coverage

The Ohio Plan hereon shall not be liable for more than the Limit of Coverage stated in the Declarations in respect of each Occurrence and in the aggregate.

The Ohio Plan's total liability for any loss or series of losses sustained by one or more of the Members under this coverage shall not exceed the limit of coverage shown in the Declarations. This policy shall have no liability in excess of the limit of coverage whether such amounts consist of covered losses sustained by all of the Members or any one or more of the Members.

### 14. Coverage Termination

If any political subdivision or entity, which has purchased Building and/or Personal Property coverage from The Ohio Plan, allows coverage to lapse or cease due to expiration, cancellation or non-renewal, such political subdivision or entity is no longer a Member under this contract from the date coverage lapses or ceases.

### 15. Inspection And Audit

The Ohio Plan shall be permitted, but not obligated, to examine and audit the Member's books and records at any time during the Policy Period and extensions thereof and within two (2) years after the final termination of this policy, as far as they relate to the subject matter of this policy.

### 16. Abandonment

There shall be no abandonment to The Ohio Plan of any property.

### 17. Rights Of Third Parties Exclusion

This policy is effected solely between the Member and The Ohio Plan. 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 Member.

### 18. On Account Payments

The Ohio Plan agrees that on account payments in respect of a valid Claim hereon are permitted.

### 19. Insolvency

The insolvency, bankruptcy, receivership or any refusal or inability to pay of the Member and/or The Ohio Plan shall not operate to:

- a. deplete the Deductible set out in the Declarations;
- b. increase The Ohio Plan's liability under this policy;

In no event shall The Ohio Plan assume the responsibilities and/or obligations of any Member.

## **B. Section 1 of this policy is subject to the following Conditions:**

### 20. Debris Removal

This policy also covers, within the Limit of Coverage, expenses incurred in the removal of debris of property covered hereunder which may be directly destroyed or damaged by an Act of Terrorism or Sabotage. The cost of removal of debris shall not be considered in determination of the valuation of the property covered.

## 21. Direct Damage

No Claim shall be payable under the Business Interruption, Extra Expense or Rental Value Extensions unless and until a Claim has been paid, or liability admitted, in respect of direct physical loss or damage by an Act of Terrorism or Sabotage to property covered 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.

## 22. Resumption Of Operations

If the Member could reduce the loss resulting from Business Interruption by:

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

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

## 23. Proof Of Loss

The Member 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 The Ohio Plan) stating the time, place and cause of loss, the interest of the Member and all others in the property, the sound value thereof and the amount of loss or damage thereto. If the Ohio Plan has not received such proof of loss within two (2) years of the expiry date of this policy, they shall be discharged from all liability hereunder.

## 24. 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) 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:

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

The Ohio Plan's liability for loss under this policy including this endorsement shall not exceed the smallest of the following amounts:

- a. The amount of the policy applicable to the destroyed or damaged property;
- b. The replacement cost of the property or any part thereof identical with such property and intended for the same occupancy and use;

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

#### 25. Deductible

Each Occurrence shall be adjusted separately and from the amount of each such adjusted loss; the sum stated in the Declarations shall be deducted and shall be reduced by:

- a. The payment of any deductible amount, any participation of an Member or any amount retained by a Member under any policy or coverage to which this policy applies; or
- b. Any payment made on the behalf of a Member by another, including any payment from any other applicable coverage or insurance.

In the event one Occurrence involves a Claim from more than one Member, the deductible shall be applied to each Member in the same proportion as the individual Member's loss to the total covered loss under this policy.

### **C. Section 2 of this policy is subject to the following Conditions:**

#### 26. Defense

The Ohio Plan shall not be called upon to assume the handling or control of the defense or settlement of any Claim made against the Member but The Ohio Plan shall have the right, but not the duty, to participate with the Member in the defense or settlement of any Claim which may be indemnifiable in whole or in part by this policy.

The Ohio Plan will pay any Defense Expenses incurred after exhaustion of the underlying amount or each Occurrence retention, whichever is the greater, provided the prior written consent of The Ohio Plan is obtained before those Defense Expenses are incurred and subject to The Ohio Plan's Limits of Coverage set out in the Declarations.

The Member shall not admit liability for, or settle, any claim which may be indemnifiable in whole or in part by this policy without the prior written consent of the Ohio Plan.

#### 27. Appeals

In the event the Member elects not to appeal, a judgement which may, in whole or in part, involve indemnity under this policy, The Ohio Plan may, following discussion with the Member, 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 The Ohio Plan exceed the relevant Limits of Coverage set out in the Declarations plus such cost, expense, costs, disbursements and interest.

#### 28. Apportionment Of Defense Expenses

Whenever any written demand received by the Member for damages is finally resolved by a payment by the Member which, regardless of the amount thereof, is only covered in part by this policy, then the percentage of any Defense 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 Member.

#### 29. Loss Payable

Any amount for which The Ohio Plan is liable under this policy shall be due and payable solely to the Member within thirty (30) days after it is agreed by The Ohio Plan.

### 30. Deductible

Each Claim shall be adjusted separately and from the amount of each such adjusted loss, the Deductible amount stated in the Declarations shall be deducted and shall be reduced by:

- a. The payment of any deductible amount, any participation of a Member or any amount retained by a Member under any policy or coverage to which this policy applies; or
- b. Any payment made on the behalf of a Member by another, including any payment from any other applicable coverage or insurance.

### EXCLUSIONS

#### A. Section 1 and 2 of this policy DO NOT COVER:

1. 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.
2. 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.
3. Loss by seizure or illegal occupation.
4. 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 a Member 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, 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.
6. Loss, injury or damage by chemical or biological release or exposure of any kind.
7. Loss, injury or damage by attacks by electronic means including computer hacking or the introduction of any form of computer virus.
8. Loss, injury or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, riots or civil commotion unless physical loss or damage is caused directly by an Act of Terrorism or Sabotage. This policy also excludes any increase in loss resulting from interference at the Member premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation.
9. Loss or increased cost occasioned by any public or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property covered hereunder.
10. Any consequential loss or damage caused by any other ensuing cause.
11. Loss of use, delay or loss of markets, however caused or arising, and despite any preceding loss covered hereunder.

12. Loss or damage caused by cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications of any type or service.
13. Loss, injury or increased cost as a result of threat or hoax of an Act of Terrorism or Sabotage.
14. Loss, injury or damage caused by or arising out of burglary, housebreaking, theft or larceny or caused by any person taking part therein.
15. Increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from the covered interruption of business, and then The Ohio Plan shall be liable for only such loss as affects the Member's earnings during, and limited to, the Period of Restoration covered under this policy.

**B. Section 1 of this policy DOES NOT COVER:**

1. Land or land values.
2. Power transmission or feeder lines not on a Member'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.
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 a Member's premises covered herein at the time of its damage.
6. Animals, plants and living things of all types.
7. Property in transit not on a Member's premises.

**C. Section 2 of this policy DOES NOT COVER:**

1. Injury or death to employees of the Member, including temporary, contract or borrowed employees, or arising under any workers' compensation, unemployment compensation or disability laws, statutes or regulations;
2. loss, injury or damage arising out of employment related claims, of any type, including but not limited to employee claims of wrongful termination of employment, discrimination, harassment, false arrest, slander, invasion of privacy, assault or battery, or mental anguish or humiliation when asserted in connection with an employment related claim;
3. mental injury, anguish or shock where no actual physical injury has occurred to the claimant;

**DEFINITIONS**

**A. Sections 1 and 2 of this policy are subject to the following Definitions:**

1. Extra Expense

"Extra Expense" means the excess (if any) of the total cost incurred during the Period of Restoration chargeable to the operation of the Member's operations, over and above the total cost that would normally have been incurred to conduct the operations during the same period had no loss or damage occurred.

2. Finished Stock

"Finished Stock" means stock manufactured by the Member which in the ordinary course of the Member's business is ready for packing, shipment or sale.

### 3. Gross Earnings

"Gross Earnings" for the assessment of Premium and for adjustment in the event of loss means the sum of:

- a. total net sales value of production or sales of Merchandise; and
- b. other earnings derived from the operations of the Member.

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 service(s) sold by the Member;
- e. Merchandise sold including packaging materials therefore;
- f. materials and supplies consumed directly in supplying the service(s) sold by the Member;
- g. service(s) purchased from outsiders (not employees of the Member) for resale which do not continue under contract;
- h. the difference between the cost of production and the net 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 operations before the date of loss or damage and the probable experience thereafter had loss not occurred.

### 4. Merchandise

"Merchandise" means goods kept for sale by the Member which are not the product of manufacturing operations conducted by the Member

### 5. Normal

"Normal" means the condition that would have existed had no loss occurred.

### 6. Occurrence

"Occurrence" means 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 directly occasioned by one Act or series of Acts of Terrorism or Sabotage arising out of the same purpose or cause during any period of seventy two (72) consecutive hours commencing at the time of the first such act and within a radius of ten (10) miles of the Member's property. However, for the purposes of this policy no period of seventy two (72) consecutive hours shall commence prior to the attachment of this policy.

### 7. Period Of Restoration

"Period of Restoration" means 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. twelve (12) calendar months,

commencing with the date of such direct physical loss or damage and not limited by the Expiration Date of this policy.

#### 8. Property Damage

"Property Damage", means physical loss of, damage to, or 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.

#### 9. Raw Stock

"Raw Stock" means material in the state in which the Member receives it for conversion into Finished Stock.

#### 10. Rental Value

"Rental Value" means the sum of:

- a. the total anticipated gross rental income from tenant occupancy of the Member property as furnished and equipped by the Member; and
- b. the amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of the Member; and
- c. the fair Rental Value of any portion of said property which is occupied by the Member.

#### 11. Act of Sabotage

"Act of Sabotage" means a subversive act or series of 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.

#### 12. Stock In Process

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

#### 13. Act of Terrorism

"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 organization(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.

### **B. Section 2 of this policy is subject to the following Definitions:**

#### 14. Ultimate Net Loss

"Ultimate Net Loss" means the amount the Member is obligated to pay, by judgement or settlement, as damages resulting from a Claim, including Defense Expenses in respect of such Claim arising out of one Occurrence.

15. Bodily Injury

“Bodily Injury” means all physical injury to a third party human being, other than the perpetrator(s) of the Act of Terrorism or Sabotage, including death, sickness, disease or disability and all consequent mental anguish or shock to such human suffering such physical injury.

16. Claim

“Claim” means that part of each written demand received by the Member for damages covered by this policy, including institution of arbitration proceedings.

17. Defense Expenses

“Defense Expenses” means investigation, adjustment, appraisal, defense and appeal costs and expenses and pre and post judgement interest, paid or incurred by or on behalf of the Member. The salaries, expenses or administrative costs of the Member, its employees, any insurer or coverage administrator shall not be included within the meaning of Defense Expenses.