

FUNCTIONAL FITNESS TRAINING FLOATER

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section **F. Definitions**.

In return for your payment of the premium shown in the Declarations which are part of this policy, we provide the coverage described herein subject to all the conditions of this policy. This coverage is also subject to the additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records. Endorsements and schedules may also apply as identified in the Declarations or schedule of coverages.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property

a. Covered Property means:

- (1) your business property; or
- (2) property of others in your care, custody, and control.

b. Coverage Conditions

We only cover your property and property of others that are described in the Declarations.

2. Property Not Covered

Covered Property does not include:

- a. aircraft, watercraft or vehicles licensed or designed for highway use;
- b. buildings, except
 - (1) as provided in the Additional Coverage - Tenant Glass; and
 - (2) fixtures installed while you have been a tenant.
- c. accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities;
- d. property while waterborne except while in transit in the custody of a carrier for hire operating on inland waterways;
- e. contraband or property in the course of illegal transportation or trade;
- f. water, land, grading or fill; or

- g.** dams, docks, wharves, piers, bridges, roadways, walks, patios and any other similar permanent structures.

3. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss or Damage unless the loss is excluded or limited in this Policy.

4. Additional Coverages

a. Debris Removal Coverage

- (1) We will pay your actual and necessary expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the direct physical loss or damage.

- (2)** The most we will pay under this Additional Coverage is the lesser of 25% of:

- (a) the sum of the deductible plus the amount we pay for the direct physical loss or damage to Covered Property; or
- (b) the applicable Limit of Insurance.

However, we will pay up to an additional \$25,000 for Debris Removal if one or both of the following circumstances apply:

- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss exceeds the Limit of Insurance;
- (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss.

- (3)** This Additional Coverage does not apply to costs to:

- (a)** extract "pollutants" from land or water;
- (b)** remove, restore or replace polluted land or water; or
- (c)** remove deposits of mud or earth from the grounds of the described location.

b. Pollutant Cleanup and Removal

We will pay your expenses to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if reported to us within 180 days of the date on which the Covered Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage is \$10,000 for the sum of all covered

expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this Policy.

No Deductible applies to this Additional Coverage.

c. Tenant Glass

- (1) We will pay for direct physical loss of or damage to building glass at the location described in the Declarations caused by or resulting from a Covered Cause of Loss, provided that:
 - (a) you are a tenant of the building described in the Declarations; and
 - (b) you have a contractual responsibility to insure the building glass, or a contractual responsibility to pay for loss or damage to that property.
- (2) The value of property covered under this Additional Coverage will be determined in accordance with the Valuation Condition applicable under this Policy, or at the amount for which you are liable under contract, whichever is less. If required by law, glass is covered at the cost of replacement with safety glazing material. However, the most we will pay for the coverage provided under this Additional Coverage is \$5,000.

d. Money and Securities

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
 - (a) theft, meaning any act of stealing;
 - (b) disappearance; or
 - (c) destruction.
- (2) In addition to the Limitations and Exclusions applicable to Covered Property, we will not pay for loss:
 - (a) resulting from accounting or arithmetical errors or omissions;
 - (b) due to the giving or surrendering of property in any exchange or purchase; or
 - (c) of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is \$2,500.
- (4) All loss:
 - (a) caused by one or more persons; or
 - (b) involving a single act or series of related acts;is considered one occurrence.

- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

5. Coverage Extension

Additional Acquired Property

You may extend coverage to apply to additional property of a type already covered under this Policy that you newly acquire.

The most we will pay for loss or damage under this Extension is \$10,000.

Coverage will end when any of the following first occurs:

- (a) this Policy expires;
- (b) 30 days expire after you acquire the property; or
- (c) you report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **a.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) airborne volcanic blast or airborne shock waves;
- (b) ash, dust or particulate matter; or

(c) lava flow.

With respect to coverage for Volcanic Action set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in paragraphs **(1)** through **(5)**, is caused by an act of nature, man-made or is otherwise caused.

This exclusion does not apply to Covered Property in due course of transit.

b. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Part

c. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire.

d. War and Military Action

- (1)** War, including undeclared or civil war;
- (2)** Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3)** Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

e. Water

- (1)** Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge); or
- (2)** Waterborne material carried or otherwise moved by any of the water referred to in paragraph **(1)**.

This exclusion applies regardless of whether any of the above, in paragraphs **(1)** and **(2)**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in paragraphs **(1)** and **(2)**, results in fire, explosion or sprinkler leakage, we will pay for the direct loss or damage caused by that fire, explosion or sprinkler leakage if sprinkler leakage is a Covered Cause of Loss.

f. "Fungus," Wet Rot and Dry Rot

Presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot.

But if "fungus," wet rot or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply when "fungus", wet rot or dry rot result from fire or lightning.

g. Virus, Bacterium or Other Microorganism

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus," wet rot or dry rot. Such loss or damage is addressed in exclusion **B.f.** above.

With respect to any loss or damage subject to this exclusion, this exclusion supersedes any exclusion relating to "pollutants."

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions B.1.a. through B.1.g. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a.** theft from any unattended vehicle unless at the time of theft its windows, doors and compartments were closed and locked and there are visible signs the theft was the result of forced entry.

But this exclusion does not apply to property in the custody of a carrier for hire.

- b.** delay, loss of use, loss of market or any other consequential loss.
- c.** unexplained disappearance.
- d.** shortage found upon taking inventory.
- e.** dishonest or criminal act (including theft) committed by:
 - (1)** you, any of your partners, officers, employees (including temporary employees and leased workers), directors, trustees, or authorized representatives;
 - (2)** a manager or a member if you are a limited liability company;
 - (3)** anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives; or

(4) anyone else to whom you entrust the property for any purpose;

whether acting alone or in collusion with any other party.

This exclusion applies whether or not such acts occur during your normal hours of operation.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

f. artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

(1) electrical or electronic wire, device, appliance, system or network; or

(2) device, appliance, system or network utilizing cellular or satellite technology.

But if fire results, we will pay for the loss or damage caused by that fire if the fire would be covered under this coverage form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

(1) electrical current, including arcing;

(2) electrical charge produced or conducted by a magnetic or electromagnetic field;

(3) pulse of electromagnetic energy; or

(4) electromagnetic waves or microwaves.

g. voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

h. unauthorized instructions to transfer property to any person or to any place.

i. neglect of an insured to use all reasonable means to save and preserve property from further damage at or after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage to Covered Property by a Covered Cause of Loss results, we will pay for the loss or damage to Covered Property caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) planning, zoning, development, surveying, siting;

- (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) materials used in repair, construction, renovation or remodeling; or
 - (4) maintenance;
- of part or all of any property wherever located.
- d. Wear and tear;
 - e. Marring or scratching;
 - f. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration;
 - g. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - h. Disease, infestation or damage by insects, birds, rodents or other animals;
 - i. Rust or other corrosion, decay, dampness or dryness of atmosphere, or changes in or extremes of temperature;
 - j. "Additional Water Damage".

C. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The limits applicable to the Additional Coverages apply in accordance with such coverages and are separate from the Limits of Insurance shown in the Declarations for any other coverage.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

If more than one deductible is applicable under this Coverage Form, we will only apply the highest amount that is applicable.

E. Additional Conditions

1. The Valuation General Condition in the Commercial Inland Marine Conditions is replaced by the following:
 - a. The value of each item of property that is individually listed and described in the Declarations is the applicable Limit of Insurance shown in the Declarations for that item.
 - b. The value of all other Covered Property, including newly acquired property, will be the least of the following amounts:
 - (1) the actual cash value of that property;

(2) the cost of reasonably restoring that property to its condition immediately before loss;
or

(3) the cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage

2. The following condition applies in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

Coverage Territory

We cover property wherever located within:

- (a) The United States of America;
- (b) The District of Columbia;
- (c) Puerto Rico; and
- (d) Canada.

F. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
3. "Additional Water Damage" means:
 - a. Mudslide or mudflow;
 - b. Water under the ground surface pressing on, or flowing or seeping through:
 - (1) foundations, walls, floors or paved surfaces;
 - (2) basements, whether paved or not; or
 - (3) doors, windows or other openings;
 - c. Waterborne material carried or otherwise moved by any of the water referred to in paragraph b., or material carried or otherwise moved by mudslide or mudflow.
4. "Money" means:
 - a. currency, coins and bank notes in current use and having a face value; and
 - b. traveler's checks and money orders held for sale to the public
5. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

- a.** tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b.** evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money."