

OUTBREAK[®] Extra Expense

Solving Contagion Risk

OUTBREAK[®] Extra Expense provides a per day, per location limit, available to insureds, arising from suspension of operations by a public health official due to a covered contagion.

The policy responds to a wide variety of contagions including Legionnaires, Flu, E. Coli, Methicillin-resistant Staphylococcus Aureus (MRSA), Salmonella, Norwalk and many other viral and bacterial contagions. Further, suspension due to Mold and Fungus that result in human illness is covered for closures up to 5 days.

Also, OUTBREAK provides coverage for up to 5 days for a suspension of operations due to a workplace violence event.

Available per location limits of up to \$50,000 per day up to 30 days per any one scheduled location.

Target Industries:

- Healthcare
- Education
- Food manufacturing
- Restaurants
- Hospitality
- Property management
- Other industry classes also available

Please note: Coverage terms outlined in this document do not alter, amend, or edit actual terms and conditions within the policy form. See policy wording for contractual terms and conditions.

- OUTBREAK Extra Expense responds to a wide variety of contagions.
- Suspensions due to contagion/mold initiated by a public health official.
- Suspensions due to a workplace violence event can be initiated by fire, law enforcement or other empowered public official.
- Coverage initiates at 12:01AM the day following notice.
- Location limits of up to \$50,000 per day.
- OUTBREAK Extra Expense policy proceeds used at insured's discretion. No cumbersome business interruption claims settlements.
- Non-admitted product; surplus lines license required.

***OUTBREAK Extra Expense,
the Vaccine for Contagion Risk.***

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OUTBREAK EXTRA EXPENSE COVERAGE

Various provisions in this policy restrict coverage, including the Limits of Insurance as indicated on the Declarations. Read the entire policy carefully to determine your rights and duties and what is and is not covered. Defined terms appear in bold throughout this policy.

SECTION I – DEFINITIONS

- A. **Bodily Injury** means physical injury, illness, disease, mental anguish or emotional distress, sustained by any person, including death resulting therefrom at any time.
- B. **Company** means the insurer issuing this policy whether referred to as “company”, “we”, “us”, or “our”.
- C. **Fungus** means any permanent or transient fungus, mold, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapor or gas produced by, emitted from or arising out of any fungi, spores, scents or byproducts or resultant mycotoxins, allergens or pathogens.
- D. **Insured** means the Named Insured as designated on the Declarations, whether referred to as “Named Insured”, “Insured”, “you” or “your.”
- E. **Operational Premises** means only that part of the premises scheduled on the Declarations as a Covered Location(s) you exclusively own, rent or occupy where you regularly conduct your business and does not include:
1. Any common areas;
 2. Any common facilities, including but not limited to heating, ventilation and air conditioning systems, insofar as those facilities do not originate from your **Operational Premises**; and
 3. Restrooms, hallways, elevators, service areas, lobbies, sidewalks, parking areas, or any routes of ingress or egress.
- F. **Period of Suspension** begins at 12:01 A.M. on the day after the effective date of the **Suspension** that appears on the written order of **Suspension**, and ceases on the earlier of:
1. The date on which you are able to resume normal activities at your **Operational Premises**; or
 2. The date that appears on the written order of withdrawal of such **Suspension**;
- but does not include any increased period required due to the enforcement of any law, regulation, bylaw or ordinance that regulates the construction, use or repair, or requires the tearing down, of any property.
- The expiration date of this policy will not reduce a **Period of Suspension** which commences during the **Policy Period**.
- G. **Policy Period** means the period from the inception date of this policy to the policy expiration date as stated in the Declarations or any prior cancellation or termination date.
- H. **Property Damage** means (1) physical injury to tangible property, including all resulting use of that property; (2) loss of use of tangible property that is not physically injured or destroyed; or (3) diminished value of property.
- I. **Public Health Official** means a person working under the direction and with the authority of a governmental health organization and who is authorized to issue a written order of **Suspension**. In the event of a **Suspension** due to a homicide, suicide, or workplace violence incident, **Public Health Official** includes other governmental authority, political office or official, or public safety or law enforcement personnel.
- J. **Suspension** means the cessation of your business activities by reason of a shutdown of your **Operational Premises** by a **Public Health Official**.
- K. **Terrorism** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s),

organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public for religious, political or ideological purposes.

SECTION II – COVERED CAUSE OF LOSS

We will pay you the Per Day Benefit as shown on the Declarations for a **Period of Suspension** which commences during the **Policy Period** subject to:

- A. A maximum of thirty (30) days of coverage at each covered location, in the event of a **Suspension** due to the presence of the following originating at or emanating from your **Operational Premises**:
 1. A contagion, which means disease transmission by direct or indirect contact;
 2. A communicable disease, which means an illness, sickness, physical condition, or an interruption or disorder of bodily functions, systems, or organs that is transmissible by infection or contagion directly through human contact or contact with human fluids, waste or similar agent;
 3. A water-borne pathogen resulting in contamination of the water supply; however such coverage will not become effective until the fifth (5th) day of the **Period of Suspension**;
 4. Biological materials at the **Operational Premises**; or
 5. Infestation by vermin or pests;
- B. A maximum of five (5) days of coverage at each covered location, in the event of a **Suspension** due to a homicide, suicide, or workplace violence incident that takes place within the **Operational Premises**;
- C. A maximum of five (5) days of coverage, in the event of a **Suspension** due to an actual illness, sickness, physical condition or interruption or disorder of bodily functions, systems, or organs that takes place within your **Operational Premises** due to **Fungus**. We will only pay for a maximum of five (5) days of coverage, regardless of the number of locations listed on the Declarations or the number of such **Suspensions** that actually occur;

provided; no Insured had knowledge prior to the **Policy Period** of facts or circumstances which could reasonably give rise to a **Suspension**; and

subject to the terms and conditions of this policy and the applicable Limits of Insurance as shown on the Declarations, and in accordance with the provisions of Section IV, Limits of Insurance.

SECTION III – EXCLUSIONS

We will not cover any loss resulting from any **Suspension** caused or contributed to by, arising out of or resulting, in whole or in part from, the following:

1. Viral Hemorrhagic Fever;
2. Anthrax;
3. Sarin;
4. Smallpox;
5. **Fungus**, except as provided for in Section II.C.;
6. **Property Damage**;
7. **Bodily Injury**; except as provided for in Section II.B.;
8. **Terrorism**;
9. The hazardous properties of nuclear material. As used in this exclusion “hazardous” properties includes radioactive, toxic or explosive properties and “nuclear material” includes source material, spent nuclear material, special nuclear material and by-product material;

10. War or military action, including invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power and any action by government, sovereign or other authority to hinder or defend against any of the foregoing using military personnel or other agents;
11. A condition at your **Operational Premises** that arises out of the past or present use of your **Operational Premises** as a waste storage, disposal or handling facility, landfill, recycling or reclamation facility;
12. Asbestos or asbestos-containing materials, silica or silica-containing materials, and/or lead or lead-containing materials in any form;
13. Where it arises from or forms part of, a quarantine, closure, shutdown or similar order of any civil or governmental authority, regardless of whether such authority is a **Public Health Official**, that affects a geographic area or territory encompassing multiple businesses and/or homes or industry groupings, regardless of whether an otherwise-covered loss occurred to your **Operations Premises** or any other premises; provided, however, this exclusion shall not apply if the covered cause of loss emanated from your **Operational Premises** and you were closed by a **Public Health Official**;
14. Where it is caused directly or indirectly by, the enforcement of any governmental law, regulation, ordinance or bylaw that was not in effect at the time of your first order of **Suspension**; or
15. Any dishonest, fraudulent, criminal, malicious or knowingly wrongful acts, or errors or omissions intentionally committed by or at the direction of the Insured.

SECTION IV – LIMITS OF INSURANCE

In the event of a **Suspension**:

- A. **Benefit Calculation:** Subject to the Limits of Insurance as stated in the Declarations, the benefit under the policy for a **Suspension** will be calculated as follows:
 1. The number of eligible days of coverage for a **Suspension** is the number of days of the **Period of Suspension**, less any applicable waiting period, subject to the applicable maximum number of days of coverage.

e.g. A **Suspension** is due to a water-borne pathogen. The **Suspension** is ordered for a scheduled location on June 5 at 3:25 p.m. and is withdrawn on June 20 at 10:15 a.m. The **Period of Suspension** runs from June 6 through June 20. However, pursuant to Section II.A.3., coverage will not become effective until the fifth (5th) day of the **Period of Suspension**, which is June 10. June 10 through June 20 consists of ten (10) days. As described in Section II.A. there is a maximum of thirty (30) days of coverage for a water-borne pathogen. The number of eligible days of coverage is ten (10) days.
 2. The number of eligible days of coverage is multiplied by the Per Day Benefit for the applicable location, as listed in the Schedule of Covered Locations on the Declarations.

e.g. The Per Day Benefit for the location is \$10,000. Multiplying this amount by the ten (10) days of eligible coverage yields a total benefit of \$100,000.
- B. **Aggregate Limit Per Location:** The maximum amount we will pay for all **Suspensions** which commence during the **Policy Period** in respect of a particular covered location is the Aggregate Limit Per Location listed for that location in the Schedule of Covered Locations on the Declarations, subject to any Aggregate Policy Limit as stated in paragraph C. below.

e.g. After the \$100,000 for the **Suspension** benefit described above, during the same **Policy Period**, another **Suspension** occurs at the same location, the value of which, as calculated by the method set out in paragraph A. above, is \$250,000. However, the Aggregate Limit Per Location for this location, as listed in the Schedule of Covered Locations on the Declarations, is \$300,000. Since the total loss from these two **Suspensions**, \$350,000, exceeds the Aggregate Limit Per Location for this location, the loss from the second **Suspension** cannot be paid in full.

Instead, the amount paid for the second **Suspension** will be limited to \$200,000, which is the amount of coverage remaining for this location. No further coverage is available for this location for the remainder of the **Policy Period**.

- C. **Aggregate Policy Limit:** The maximum amount we will pay for all **Suspensions** which commence during the **Policy Period** is the Aggregate Policy Limit as stated on the Declarations.
- e.g. After the two **Suspensions** described above, a third **Suspension** occurs at another location, within the same **Policy Period**. The Per Day Benefit Per Location for this location is \$25,000. The **Period of Suspension** is twenty-nine (29) days. The benefit, as calculated by the method set out in A. above, is \$725,000. The Aggregate Limit Per Location for this location is \$750,000. As such, the benefit would be \$725,000. However, the policy states that there is an Aggregate Policy Limit of \$1,000,000. At \$725,000 the loss from this third **Suspension**, added to the \$300,000 already paid for the first two **Suspensions**, would bring the total loss to \$1,025,000, which would exceed the Aggregate Policy Limit. As such, the amount paid for the third **Suspension** will be limited to \$700,000, which is the amount of benefits remaining under the policy. No further coverage is available for any location for the remainder of the **Policy Period**.
- D. The maximum amount payable pursuant to this policy will be as described in paragraphs A., B. and C. above, irrespective of the number of **Suspensions** or your actual losses.

SECTION V – SUSPENSION CONDITIONS

A. Your Duties in the Event of a Suspension

If you know of any facts or circumstances that may reasonably result in a **Suspension** under this insurance, you must do the following:

1. Promptly give us written notice of any **Suspension**;
2. As soon as possible after a covered **Period of Suspension** begins, deliver to us a copy of the written order of **Suspension** and identify the location(s) of your **Operational Premises** where the **Suspension** occurred. The copy must include a description of the circumstances that led to the **Suspension**;
3. At our request, submit to examinations under oath as often as we request, and sign your answers from any such examination;
4. Take all steps required by the authorized **Public Health Official** to limit the **Period of Suspension**;
5. Cooperate with us in the investigation of the **Suspension**;
6. Deliver as soon as practicable to us an affidavit containing the following information and documentation:
 - (a) a copy of the written order of **Suspension**;
 - (b) a copy of the written withdrawal of the **Suspension**, if any;
 - (c) the location(s) of your **Operational Premises** where the **Suspension** occurred;
 - (d) the background and reasons for the **Suspension** including the covered cause of loss alleged to have caused the **Suspension**;
 - (e) the name and capacity of any **Public Health Official** who ordered the **Suspension** and the authority pursuant to which the order was made;
 - (f) the effective date of the **Suspension** and, if applicable, the withdrawal date of the **Suspension**;
 - (g) a statement that the **Suspension** did not occur through any willful act or neglect or the procurement, means or connivance of the Insured;

- (h) the amounts of other insurance, the names of other insurers and any documents evidencing the existence and terms of such other insurance; and
 - (i) a summary of any material changes in the **Operational Premises** or the use or occupation thereof, or in the nature of your business operations, since the application for or renewal of this policy, or alternatively a statement that there have been no such material changes;
7. Permit our authorized agents access to your **Operational Premises** and the premises in the vicinity thereof, sufficient to enable them to survey and examine the premises and to adjust the loss.

B. Transfer of Rights of Recovery

If you have rights to recover all or part of any payment we make under this policy, those rights are transferred to us. You must do nothing after a **Suspension** to impair those rights. At our request, you will commence legal proceedings, or transfer those rights to us and help us enforce them.

SECTION VI – GENERAL CONDITIONS

A. Notice

All notices required to be given to the **Company** as required by this policy shall be directed to the name and address as stated on the Declarations.

B. Application

By acceptance of this policy, the Insured agrees that the statements in the application are its representations, that they shall be deemed material and that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between yourself and the Company, or any of its agents, relating to this insurance.

C. Examination of Your Receipts and Records

We may examine and audit your receipts and records as they relate to this policy at any time during the coverage period and up to three years afterward.

D. Concealment, Misrepresentation or Fraud

1. This policy is void if you or any other Insured, in the course of applying for this insurance, falsely describe the subject matter of this insurance or misrepresent or fail to disclose any fact or circumstance which is material to the **Company** in order to enable it to judge the risk to be undertaken.
2. This policy is void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:
 - (a) This policy;
 - (b) The covered benefit amounts;
 - (c) Your interest in the covered benefit; or
 - (d) A claim for benefits under this policy.
3. Any change material to the risk and within the control and knowledge of the Insured voids this insurance, unless the change is promptly notified in writing to the **Company**. The **Company**, upon becoming aware of such material change, reserves the right to cancel this insurance pursuant to the terms and conditions of this policy.

E. Authorization

By acceptance of this policy, the Named Insured agrees to act on behalf of all Insureds with respect to the giving of all notice, the cancellation of this policy, the payment of all premiums under this policy and the giving of notice to any Insured of addition or deletion from coverage under this policy; and all Insureds agree that the Named Insured shall act on their behalf.

F. Assignment of Interest

Assignment of interest under this policy shall not bind us unless its consent is endorsed hereon.

G. Bankruptcy

We are not relieved of any obligation under this policy because of your bankruptcy or insolvency.

H. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation. If cancelled by the Named Insured, the earned premium shall be computed at the customary short rate subject to a minimum earned premium as stated in the Declarations. Payment or tender of unearned premium shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.
2. We or our Underwriting Manager, on our behalf, may not cancel this policy except in the event of:
 - (a) nonpayment of premium; or
 - (b) a material change in the risk insured by this policy, including but not limited to a change in the nature of your business operations.
3. If we or our Underwriting Manager, on our behalf, cancel this policy we must do so by mailing or delivering to the first Named Insured written notice of cancellation as follows:
 - (a) at least ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium;
 - (b) at least thirty (30) days before the effective date of cancellation if we cancel for any other reason; or
 - (c) such longer notice period and/or such other method of notice as may be required by any governing statute or regulation.
4. We or our Underwriting Manager, on our behalf, will mail or deliver our notice of cancellation to the first Named Insured's last mailing address known to us.
5. Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.
7. If we or our Underwriting Manager, on our behalf, cancel this policy earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter.

I. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us or our Underwriting Manager, on our behalf, and made a part of this policy.

J. Service of Suit

Except with respect to any policy issued in any state in which the **Company** is licensed as an admitted insurer to transact business, it is agreed that in the event of the failure of the **Company** to pay any amount claimed to be due hereunder, the **Company**, at the request of the Named Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States and will comply with all requirements necessary to give such court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such court. Nothing in this clause constitutes or should be understood to constitute a waiver of the **Company's** rights to commence an action in any court of competent jurisdiction in the United States, to remove an action

to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Secretary, Legal Department, Markel Midwest, Ten Parkway North, Deerfield, Illinois 60015 and that in any suit instituted against the **Company** upon this contract, the **Company** will abide by the final decision of such court or of any appellate court in the event of an appeal.

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

K. Action Against the Company

No legal proceedings, including any arbitration proceedings, can be brought against us unless there has been full compliance with all the terms and conditions of this policy, nor unless the proceeding is commenced within one (1) year after the end of the **Period of Suspension** in relation to which the claim is made, or within such longer period of time as may be required by any governing statute or regulation.

L. Other Insurance

This insurance is excess over and will not contribute with any other valid and collectible insurance of any type available to you, or which would have attached had this insurance not been effected, whether the other is stated to be primary, pro-rata, contingent, or excess.

M. Territory

This policy only applies to **Suspensions** that occur within the United States of America, its territories or possessions or Puerto Rico.

N. Waiver

No term, condition or limitation contained in this policy, including any endorsements hereto, shall be considered waived by us in whole or in part unless the waiver is stated in writing and signed by a person authorized by us to do so on our behalf.

IN WITNESS WHEREOF, the **Company** has caused this policy to be signed by its President and Secretary, but this policy shall not be valid unless countersigned on the Declarations by a duly authorized representative of the **Company**.

SPECIMEN

Secretary

SPECIMEN

President