

NOTICE TO POLICYHOLDERS

Re: BUSINESS INCOME (AND EXTRA EXPENSE) and CIVIL AUTHORITY Coverage Parts of Utica National's* **Commercial Property policy.**

Dear Policyholder:

The New York State Department of Financial Services (DFS) has asked all insurers to describe Business Income and Civil Authority coverage to its policyholders as it relates to the outbreak of Coronavirus known as COVID-19 (while the DFS has inquired about Supply Chain Coverage, the Companies of the Utica National Insurance Group do not offer that coverage so it will not be addressed in this letter). The purpose of this letter is to describe these coverages available from Utica National in compliance with the request of the DFS.

However, this notice and the information contained herein does not form a part of any insurance policy. No coverage is created or provided by this Notice, nor can it be construed to replace any provisions of any policy. The term "policy" as used in this notice, shall include all endorsements to any policy. If there is any conflict between this Notice and the policy, the provisions of the policy shall prevail. You should always carefully read your policy, including any endorsements attached to your policy.

Business Income (and Extra Expense)

In general, Business Income (and Extra Expense) coverage requires direct physical loss or damage to the described property. The loss or damage must be from a covered cause of loss. Business Income (And Extra Expense) coverage typically is not triggered until 72 hours after the time of direct physical loss or damage to your property. Essentially, Business Income and Extra Expense is designed to reimburse you for your loss of income or the extra expenses you have incurred as a result of a covered cause of loss.

However, your Commercial Property Policy contains the endorsement "New York-Exclusion of Loss Due to Virus or Bacteria" CP 01 78 (attached), which excludes coverage for loss or damage caused by or resulting from any virus (such as COVID-19), bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.

Civil Authority

Your policy includes coverage for loss of income for up to three consecutive weeks caused by action of civil authority that prohibits access to the described property due to direct physical loss or damage to property other than at the described property. However, as noted above, your Commercial Property Policy contains endorsement CP 01 78 (attached), which excludes coverage for loss or damage caused by or resulting from any virus (such as COVID-19), bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.

As a result of this exclusion, your policy does not cover an act of civil authority for the presence of or suspected presence of a virus such as COVID-19.

Business Income From Dependent Properties

You may have opted for Business Income From Dependent Properties coverage. Utica National's Business Income From Dependent Properties coverage refers to properties operated by others, whom an insured depends on for delivery of materials or services to you, or that manufacture products for delivery to your customers under a contract of sale (subject to certain exceptions as noted in your policy). However, as noted above, your Commercial Property Policy contains endorsement CP 01 78 (attached), which excludes coverage for loss or damage caused by or resulting from any virus (such as COVID-19), bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.

As a result of this exclusion, your policy does not provide coverage for Business Income From Dependent Properties in connection with or related to the presence or suspected presence of a virus such as COVID-19.

Summary

As your policy contains the "New York-Exclusion of Loss Due to Virus or Bacteria" there is no coverage for loss or damage caused by or resulting from any virus, bacterium or other micro-organism.

Further while this is not intended to be a full analysis of all of Utica National's policy terms, conditions and exclusions, we also note contamination, proximity to contaminated premises or fear of contamination or infection on the part of the public is not a direct physical loss or damage as is required for coverage under your policy.

Actual claims are factually dependent and if you have a claim, you may submit that to your agent and/or the Company directly for a formal review and analysis of that claim and the coverage you have purchased.

If you have any further questions about your coverage, or any other aspect of your insurance policy, please contact your Utica National agent.

We thank you for choosing Utica National as your insurance carrier and appreciate your business.

*The member companies of the Utica National Insurance Group that write business in New York: Utica Mutual Insurance Company, Graphic Arts Mutual Insurance Company, Republic-Franklin Insurance Company, Utica National Assurance Company, Utica National Insurance Company of Texas, Utica Specialty Risk Insurance Company and Utica National Insurance Company of Ohio.