

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS,  
EASTERN DIVISION**

BISCUIT CAFE, INC., d/b/a Buttermilk )  
Geneva, BUTTERMILK NAPERVILLE, )  
INC., d/b/a Buttermilk, BM VERNON, )  
INC., d/b/a Buttermilk, HOBSON )  
FINANCIAL GROUP OF ILLINOIS, )  
INC., d/b/a Hollywood Boulevard Cinema, )  
individually and on behalf of all others )  
similarly situated, )

Plaintiffs, )

v. )

SOCIETY INSURANCE, INC., )

Defendant. )

Case No. 1:20-cv-02514

Honorable Judge Andrea R. Wood  
Magistrate Judge Jeffrey Cole

**DEFENDANT SOCIETY INSURANCE’S MOTION TO DISMISS UNDER RULE  
12(b)(6) OR IN THE ALTERNATIVE FOR SUMMARY JUDGMENT**

NOW COMES, Defendant, SOCIETY INSURANCE (“Society”), by and through its attorneys Thomas B. Underwood, Michael D. Sanders, Michelle A. Miner and Amy E. Frantz of Purcell & Wardrope, Chtd., and hereby moves to dismiss under Federal Rule of Civil Procedure 12(b)(6) or, in the alternative, for summary judgment pursuant to Federal Rules of Civil Procedure 56(a) on all counts of Plaintiffs’, BISCUIT CAFÉ, INC., d/b/a BUTTERMILK GENEVA, BUTTERMILK NAPERVILLE, d/b/a BUTTERMILK, BM VERNON, INC., d/b/a BUTTERMILK, HOBSON FINANCIAL GROUP OF ILLINOIS, INC., d/b/a HOLLYWOOD BOULEVARD CINEMA (collectively “Plaintiffs”) Complaint. In support of said motion, Society states as follows:

1. The threshold issue in this case is a question of law: whether the losses claimed by Plaintiffs fall within the coverage provided by the insurance contracts entered into between

Plaintiffs and Society. Under Illinois law, which applies to insurance policies issued in Illinois to Illinois businesses, the construction of an insurance policy is a question of law, not fact, and is properly determined by the court. *River v. Commercial Life Ins. Co.*, 161 F.3d 1164, 1169 (7th Cir. 1998); *Hartford Cas. Ins. Co. v. Hench Control Corp.*, 413 F. Supp. 3d 761, 766 (N.D. Ill. 2019); *Outboard Marine Corp v. Liberty Mut. Ins. Co.*, 154 Ill. 2d 90, 108, 607 N.E.2d 1204 (1992).

2. Plaintiffs' three count Complaint asserts three causes of action: Count I for Declaratory Relief, Count II for Breach of Contract, and Count III for Statutory Bad Faith pursuant to 215 ILCS 5/155. It alleges that as a result of executive orders issued by Illinois Governor J.B. Pritzker related to COVID-19, two of their restaurants, Buttermilk Geneva and Buttermilk Naperville, have seen a decrease in business; the third restaurant, Buttermilk Vernon Hills, was unable to have its grand opening; and the movie theater and full-service restaurant, Hollywood Boulevard Cinema, ceased operations completely.

3. Buttermilk Vernon Hills has since opened and is fulfilling orders for takeout and delivery. (Society's Statement of Undisputed Material Facts ("SOF") at ¶¶ 53-54.) Buttermilk Geneva and Buttermilk Naperville have been open since at least April 23, 2020, fulfilling orders for takeout and delivery. (*Id.* at ¶¶ 55-56.)

4. Plaintiffs admit that under the Executive Orders, the Buttermilk restaurants are Essential Businesses. (Compl. at ¶ 1.) Plaintiffs allege that because movie theaters are Non-Essential Businesses under the Executive Orders, Hollywood Boulevard Cinema has closed its movie theater, bar and restaurant completely. (*Id.* at ¶ 2.)

5. Even though all three Buttermilk restaurants are operating on the insured premises, and Hollywood Boulevard Cinema is allowed to sell food and alcohol for delivery and takeout,

Plaintiffs allege that “COVID-19 on or around Plaintiffs’ premises . . . has rendered the premises unsafe, uninhabitable, and unfit for their intended use.” (*Id.* at ¶ 54.)

6. When ruling on a Rule 12(b)(6) motion to dismiss, courts accept as true only a complaint’s well-pleaded facts and not statements of law or unsupported conclusory factual allegations. *Yeftich v. Navistar, Inc.*, 722 F.3d 911, 915 (7th Cir. 2013). To survive a motion to dismiss, the complaint must state a claim to relief that is plausible on its face, requiring the plaintiff to plead “factual content that allows the court to draw the reasonable inference that the defendant is liable.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (citing *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)).

7. Summary judgment is appropriate where the “movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). To survive summary judgment, once the moving party has established that there is no genuine issue of material fact, the non-moving party must show the existence of a genuine issue of material fact with respect to essential elements of the party’s case that it will have the burden of proving at trial. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322-23 (1986); *Waldon v. Wal-Mart Stores, Inc., Store No. 1655*, 943 F.3d 818, 821 (7th Cir. 2019).

8. Plaintiffs seek coverage under three coverage parts of the Society Policies, all of which are additional coverages in the Businessowners Special Property Coverage Form: Business Income, Civil Authority, and Contamination. The terms and conditions required for coverage under these additional coverages have not been met.

9. Coverage under the Business Income additional coverage of the Society Policies is limited to loss of business income that results from a “direct physical loss of or damage to covered property” at the premises described in the policy that is caused by a Covered Cause of Loss. A

Covered Cause of Loss under the Society Policies is a “direct physical loss.” There is no insurance coverage, as a matter of law, under the Society Policies because there has been no “direct physical damage to or loss of covered property” and there has been no Covered Cause of Loss as those terms are defined in the Society Policies and the law.

10. In Illinois, physical loss or damage requires an alteration in the structural integrity or the physical characteristics of the covered property, which has not happened here. *Traveler’s Ins. Co. v. Eljer Mfg., Inc.*, 197 Ill. 2d 278, 301-02, 757 N.E.2d 481 (2001). There are no allegations or evidence that Plaintiffs’ premises have incurred any damage to the structural integrity of their buildings, real estate, or business personal property, or that their property has incurred any physical changes. For example, Plaintiffs do not allege that their covered property has incurred any damage from a fire, tornado, storm damage, or the like.

11. Neither the COVID-19 pandemic nor the temporary limitations on business operations contained in Governor Pritzker’s recent executive orders constitute a physical loss or damage to the property covered under the Society Policies or a Covered Cause of Loss as a matter of law. The physical condition of the properties has not changed, and they remain fit for use as evidenced by the fact the three restaurants are being used to prepare and serve orders for takeout and delivery. As a result, there is no insurance coverage because there has been no “direct physical loss of or damage to covered property” and no “Covered Cause of Loss.”

12. Coverage under Civil Authority only applies where there has been: (i) damage to property other than property at the described premises that is caused by a Covered Cause of Loss, (ii) an action by a civil authority that prohibits access to the described premises, (iii) the action of civil authority prohibits access to the area immediately surrounding the damaged property, and the insured premises are within that area, and (iv) the action of civil authority is taken in response to

dangerous physical conditions that result from the property damage or continuation of the Covered Cause of Loss that caused the damage.

13. None of the requirements for Civil Authority have been met here. There has been no Covered Cause of Loss, Plaintiffs retain access to their premises, public spaces surrounding Plaintiffs' premises remain accessible and in-use, and Governor Pritzker's executive orders were issued to reduce future transmission of COVID-19 and not as a result of pre-existing damage to other property. Accordingly, there is no coverage under Civil Authority.

14. The Contamination provision provides coverage for loss of business income only in specific situations, the terms and conditions for which have not been met here. Access to Plaintiffs' premises has not been prevented by any governmental authority. In addition, no third party has threatened to adulterate Plaintiffs' food or otherwise cause a defect, deficiency, or dangerous condition to their premises, nor has there been any media coverage suggesting that Plaintiffs' food or premises has a defect, deficiency, or dangerous condition.

14. Because there is no coverage for Plaintiffs' losses under the Society Policies, and because there is a *bona fide* dispute regarding coverage and policy interpretation, Plaintiffs are not entitled to an award of attorneys' fees pursuant to 215 ILCS 5/155 and Count III of the Complaint should be dismissed with prejudice, or in the alternative, summary judgment should be granted in Society's favor on Count III of the Complaint.

15. Therefore, this Court should dismiss Count I, Count II, and Count III with prejudice or, in the alternative, enter summary judgment in favor of Society and against Plaintiffs on all counts of Plaintiffs' Complaint and should find and declare that there is no insurance coverage for Plaintiffs' claims under the Society Policies.

16. Society adopts and incorporates its Memorandum of Law in support of its Motion to Dismiss Pursuant to Rule 12(b)(6) or, in the Alternative, for Summary Judgment pursuant to Local Rule 56.1(a)(2) and its Local Rule 56.1(a)(3) statement of material facts, filed contemporaneously herewith.

**WHEREFORE**, Defendant SOCIETY INSURANCE moves this Court to dismiss with prejudice all counts of the Complaint under Rule 12(b)(6) or, in the alternative, to enter summary judgment pursuant to Rule 56 in its favor and against Plaintiffs BISCUIT CAFÉ, INC., d/b/a BUTTERMILK GENEVA, BUTTERMILK NAPERVILLE, d/b/a BUTTERMILK, BM VERNON, INC., d/b/a BUTTERMILK, HOBSON FINANCIAL GROUP OF ILLINOIS, INC., d/b/a HOLLYWOOD BOULEVARD CINEMA, and to grant Society such other and further relief as this Court deems just.

Date: June 9, 2020

Respectfully submitted,

Society Insurance

By: /s/ Thomas B. Underwood  
Counsel for Defendant

Thomas B. Underwood (#3122933)  
Michael D. Sanders (##6230187)  
Michelle A. Miner (#6299524)  
Amy E. Frantz (#6312526)  
PURCELL & WARDROPE, CHTD.  
10 South LaSalle Street, Suite 1200  
Chicago, IL 60603  
(312) 427-3900  
(312) 427-3944 (facsimile)  
tbu@pw-law.com  
msanders@pw-law.com  
mminer@pw-law.com  
afrantz@pw-law.com

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS,  
EASTERN DIVISION**

BISCUIT CAFE, INC., d/b/a Buttermilk )  
Geneva, BUTTERMILK NAPERVILLE, )  
INC., d/b/a Buttermilk, BM VERNON, )  
INC., d/b/a Buttermilk, HOBSON )  
FINANCIAL GROUP OF ILLINOIS, )  
INC., d/b/a Hollywood Boulevard Cinema, )  
individually and on behalf of all others )  
similarly situated, )

Plaintiffs, )

v. )

SOCIETY INSURANCE, INC., )

Defendant. )

Case No. 1:20-cv-02514

Honorable Judge Andrea R. Wood  
Magistrate Judge Jeffrey Cole

**MEMORANDUM OF LAW IN SUPPORT OF DEFENDANT SOCIETY INSURANCE'S  
MOTION TO DISMISS UNDER RULE 12(b)(6)  
OR IN THE ALTERNATIVE FOR SUMMARY JUDGMENT**

Thomas B. Underwood (#3122933)  
Michael D. Sanders (##6230187)  
Michelle A. Miner (#6299524)  
Amy E. Frantz (#6312526)  
PURCELL & WARDROPE, CHTD.  
10 South LaSalle Street, Suite 1200  
Chicago, IL 60603  
(312) 427-3900  
tbu@pw-law.com  
msanders@pw-law.com  
mminer@pw-law.com  
afrantz@pw-law.com

*Attorneys for Society Insurance*

## **TABLE OF CONTENTS**

<b>Table of Cases.....</b>	<b>i</b>
<b>Introduction.....</b>	<b>1</b>
<b>Social Distancing Executive Orders Issued by Governor Pritzker Introduction .....</b>	<b>2</b>
<b>There Is No Coverage Under the Society Policies As a Matter of Law .....</b>	<b>3</b>
I.    There is no Coverage Under The Business Income Or Extra Expense Additional Coverages Because Plaintiffs’ Claim Was Not the Result of “Physical” Loss or Damage, nor Was It Caused by a Covered Cause of Loss .....	5
A.    The Actual or Suspected Presence of the Coronavirus Does Not Cause A Direct “Physical” Loss or Damage and is Not a Covered Cause of Loss .....	5
B.    The Partial Temporary Limitation of Plaintiffs’ Operations Imposed by Governor Pritzker’s Executive Orders is Not a “Physical” Loss or Damage as a Matter of Law .....	9
C.    The Period of Restoration Clause is Further Evidence that “Physical” Loss or Damage Requires a Tangible Change in the Physical Characteristics of Property.....	12
II.    There is No Coverage Under the Civil Authority Additional Coverage Part .....	13
III.   There is No Coverage Under the Contamination Additional Coverage Part.....	16
IV.   Plaintiffs’ Claim for Statutory Bad Faith Fails Because There is No Coverage Under the Society Policies and a Bona Fide Coverage Dispute. ....	18
<b>Conclusion .....</b>	<b>19</b>



## TABLE OF CASES

<i>730 Bienville Partners, Ltd. v. Assurance Co. of Am.</i> , No. Civ.A. 02-106, 2002 WL 31996014 (E.D. La. Sept. 30, 2002) .....	18
<i>Advance Cable Co. v. Cincinnati Ins. Co.</i> , 788 F.3d 743 (7th Cir. 2015) .....	10
<i>Am. Alliance Ins. Co. v. 1212 Restaurant Grp., L.L.C.</i> , 794 N.E.2d 892 (Ill. App. Ct. 2003) ....	22
<i>Am. Family Mut. Ins. Co. v. Fisher Dev., Inc.</i> , 909 N.E. 2d 274 (Ill. App. Ct. 2009).....	22
<i>Brothers Inc. v. Liberty Mut. Fire Ins. Co.</i> , 268 A.2d 611 (D.C. 1970). ....	15
<i>Citizens First Nat. Bank of Princeton v. Cincinnati Ins. Co.</i> , 200 F.3d 1102 (7th Cir. 2000).....	22
<i>Columbiaknit, Inc. v. Affiliated FM Ins. Co.</i> , No. Civ. 98-434-HU, 1999 WL 619100 (D.Or. Aug.4, 1999) .....	10, 12
<i>Crum &amp; Foster Managers Corp. v. Resolution Trust Corp.</i> , 156 Ill. 2d 384, 620 N.E. 2d 1073 (Ill. 1993) .....	8
<i>Dickie Brennan &amp; Co. v. Lexington Ins. Co.</i> , 636 F.3d 683 (5th Cir. 2011) .....	19, 23
<i>Fiorentini v. Paul Revere Life Ins. Co.</i> , 893 F.3d 476 (7th Cir. 2018) .....	8
<i>Founders Ins. Co. v. Munoz</i> , 237 Ill. 2d 424, 930 N.E.2d 999 (Ill. 2010).....	8, 17
<i>Hartford Cas. Ins. Co. v. Hench Control Corp.</i> , 413 F. Supp. 3d 761 (N.D. Ill. 2019) .....	8
<i>Hoover v. Country Mut. Ins. Co.</i> , 975 N.E.2d 638 (Ill. App. Ct. 2012) .....	22
<i>Ill. State Bar Ass’n Mut. Ins. Co. v. Cavenagh</i> , 983 N.E.2d 468 (Ill. App. Ct. 2012).....	22
<i>Jones, Walker, Waechter, Poitevent, Carrere &amp; Denegre, LLP v. Chubb Corp.</i> , No. 09-6057, 2010 WL 4026375 (E.D. La. Oct. 12, 2010) .....	19

<i>Kean, Miller, Hawthorne, D'Armond McCowan &amp; Jarman LLC v. Nat'l Fire Ins. Co. of Hartford</i> , No. 06-770-C, 2007 WL 2489711 (M.D. La. Aug. 29, 2007).....	18
<i>Kelagher, Connell &amp; Conner, P.C. v. Auto-Owners Ins.</i> , --- F. Supp. 3d ---, No. 4:19-cv-00693, 2020 WL886120 (D. S.C. Feb. 24, 2020).....	19
<i>Mastellone v. Lightning Rod Mut. Ins. Co.</i> , 175 Ohio App. 3d 23, 884 N.E. 2d 1130, 1144 (Ohio Ct. App. 2008).....	10, 11
<i>Morris v. Auto-Owners Ins. Co.</i> , 239 Ill.App.3d 500 (4th Dist. 1993).....	22
<i>Mutlu v. State Farm Fire and Casualty</i> , 337 Ill. App. 3d 420, 785 N.E.2d 951 (Ill. App. Ct. 2003) .....	14
<i>Newman Myers Kreines Gross Harris, P.C. v. Great Northern Ins. Co.</i> , 17 F. Supp. 3d 323 (S.D.N.Y. 2014).....	14, 16
<i>Omega Demolition Corp. v. Travelers Property Cas. of Am.</i> , No. 14-cv-01288, 2015 WL 3857341 (N.D. Ill. June 19, 2015) .....	8, 17
<i>One Place Condominium, LLC v. Travelers Property Cas. Magistrate Co.</i> , No. 11-C-2520, 2014 WL 1018192 (N.D. Ill. Mar. 17, 2014).....	23
<i>Outboard Marine Corp v. Liberty Mut. Ins. Co.</i> , 154 Ill. 2d 90, 607 N.E.2d 1204 (1992) .....	8
<i>Pentair v. Am. Guarantee and Liab. Ins.</i> , 400 F.3d 613 (8th Cir. 2005) .....	15
<i>Phillips v. Prudential Ins. Co. of America</i> , 714 F.3d 1017 (7th Cir. 2013).....	23
<i>Phillips v. Prudential Ins. Co. of America</i> , 714 F.3d 1017 (7th Cir. 2013);.....	8
<i>River v. Commercial Life Ins. Co.</i> , 161 F.3d 1164 (7th Cir. 1998) .....	7
<i>Roundabout Theatre Company v. Continental Casualty</i> , 302 A.D2d 1 (N.Y. App. Div. 2002) ..	14

<i>Schewe v. Home Ins. Co.</i> , 80 Ill. App. 3d 829, 400 N.E. 2d 501 (Ill. App. Ct. 1980) .....	8
<i>See, Bd. of Educ. of Twp. High Sch. Dist. No. 211 v. Int’l Ins. Co.</i> , 720 N.E.2d 622 (Ill. Ct. App. 1999). .....	11
<i>Source Food Tech. v. U.S. Fid. and Guaranty</i> . 465 F.3d 834 (8th Cir. 2006).....	15
<i>St. Michael’s Orthodox Catholic Church v. Preferred Risk Mut. Ins. Co.</i> , 146 Ill. App. 3d 107, 496 N.E.2d 1176 (Ill. App. Ct 1986) .....	8
<i>Starr Indem. &amp; Liab. Co. v. Tech. Ins. Co., Inc.</i> , No. 16-cv-09533, 2017 WL 4340177 (N.D. Ill. Sept. 30, 2017) .....	8
<i>Travelers Ins. Co. v. Eljer Mfg., Inc.</i> , 197 Ill.2d 278, 757 N.E.2d 481 (2001).....	8, 9, 12, 16
<i>Uhlich Children’s Adv. Network v. Nat’l Union Fire Ins. Co.</i> , 929 N.E.2d 531 (Ill. App. Ct. 2010) .....	22
<i>United Airlines, Inc. v. Ins. Co. of the State of Penn.</i> , 439 F.3d 128 (2d Cir. 2006) .....	19
<i>Universal Image Prods., Inc. v. Fed. Ins. Co.</i> , 475 Fed. Appx. 569 (6th Cir. 2012).....	10, 11, 12
<i>Ward Gen’l Ins. Servs., Inc. v. Employer’s Fire Ins. Co.</i> , 7 Cal. Rptr. 3d 844 (Cal. Ct. App. 2003) .....	9, 10
<i>Westfield Ins. Co. v. Vandenberg</i> , 796 F.3d 773 (7th Cir. 2015).....	8
<i>Windridge of Naperville Condo v. Philadelphia Indem. Ins. Co.</i> , 932 F.3d 1035 (7th Cir. 2019)...	10

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS,  
EASTERN DIVISION**

BISCUIT CAFE, INC., d/b/a Buttermilk )  
Geneva, BUTTERMILK NAPERVILLE, )  
INC., d/b/a Buttermilk, BM VERNON, )  
INC., d/b/a Buttermilk, HOBSON )  
FINANCIAL GROUP OF ILLINOIS, )  
INC., d/b/a Hollywood Boulevard Cinema, )  
individually and on behalf of all others )  
similarly situated, )

Plaintiffs, )

v. )

SOCIETY INSURANCE, INC., )

Defendant. )

Case No. 1:20-cv-02514

Honorable Judge Andrea R. Wood  
Magistrate Judge Jeffrey Cole

**MEMORANDUM OF LAW IN SUPPORT OF DEFENDANT SOCIETY INSURANCE'S  
MOTION TO DISMISS UNDER RULE 12(b)(6)  
OR IN THE ALTERNATIVE FOR SUMMARY JUDGMENT**

There is no insurance coverage under the Society Policies for Plaintiffs' claims for loss of business income. Whether there is coverage under the Society Policies is a pure issue of law that should be decided by this Court by either dismissing the Complaint with prejudice for failure to state a claim under Rule 12(b)(6) or, in the alternative, on summary judgment pursuant to Rule 56, as the facts regarding the nature and cause of Plaintiffs' loss are undisputed.<sup>1</sup>

Plaintiffs seek coverage under three additional coverages found in the Businessowners Special Property Coverage Form of the Society Policies: Business Income, Civil Authority, and Contamination, all of which have specific terms and conditions that must be met before coverage is triggered. Plaintiffs' losses do not fall within the terms and conditions for coverage under any

---

<sup>1</sup> Society adopts and incorporates its Motion to Dismiss Pursuant to Rule 12(b)(6) or, in the Alternative, For Summary Judgment and its Local Rule 56.1(a)(3) Statement of Undisputed Material Facts as though stated herein.

of these additional coverage parts; therefore, Society is entitled to dismissal or summary judgment as to Counts I and II and a declaration that there is no insurance coverage under the Society Policies for Plaintiffs' claims. Since there is no coverage under the Society Policies and a bona fide dispute exists regarding coverage and policy interpretation, Plaintiffs are not entitled to damages or an award of attorneys' fees pursuant to 215 ILCS 5/155 and dismissal with prejudice or summary judgment should be granted in Society's favor on Count III.

**SOCIAL DISTANCING EXECUTIVE ORDERS ISSUED BY GOVERNOR PRITZKER.**

Beginning in March, Illinois Governor J.B. Pritzker issued several executive orders (collectively, "the Executive Orders") that are relevant to this litigation. Executive Order 2020-07 was issued on March 16, 2020 ("the March 16 Order") and states that "social distancing, which consists of maintain [sic] at least a six-foot distance between people, is the paramount strategy for minimizing the spread of COVID-19." (Society's Stmt. of Undisputed Material Facts ("SOF") at ¶¶ 12-14.) At the time of the Executive Orders, "the number of suspected COVID-19 cases in Illinois [was] increasing exponentially . . . indicating that drastic social distancing measures [were] needed." (*Id.* at ¶ 14.) Accordingly, businesses that provide food and beverages were no longer allowed to do so for on-premises consumption. (*Id.* at ¶ 15.) However, such businesses were "permitted and encouraged to serve food and beverages so that they may be consumed off-premises, as currently permitted by law, through means such as in-house delivery, third-party delivery, drive-through, and curbside pick-up. In addition, customers may enter the premises to purchase food or beverages for carry out." (*Id.*) The reason for the prohibition of on-premises consumption of food at restaurants, as specified in the March 16 Order, was to reduce the transmission of COVID-19 because public dining "usually involves prolonged close social contact contrary to recommended practice for social distancing." (*Id.* at ¶ 16.)

Executive Order 2020-10 was issued on March 20, 2020 (“the March 20 Order”). (*Id.* at ¶ 17.) The purpose of the March 20 Order was “for the preservation of public health and safety throughout the entire State of Illinois and to ensure that our healthcare delivery system is capable of serving those who are sick . . . [and] to slow and stop the spread of COVID-19.” (*Id.* at ¶ 19.) It prohibited gatherings of more than ten people and required all businesses and operations in the state to cease, except for “Essential Businesses and Operations,” which it “encouraged” to remain open. (*Id.* at ¶¶ 18, 21.) “Essential Businesses and Operations” included “[r]estaurants and other facilities that prepare and serve food, but only for consumption off-premises.” (*Id.* at ¶ 22.) Additionally, employees of Non-Essential Businesses are allowed to perform “Minimum Basic Operations” on their premises, including processing payroll and employee benefits, ensuring security of the premises, maintaining inventory, and preserving the condition of the premises. (*Id.* at ¶ 24.)

The March 20 Order further required Illinois residents to “shelter in place” but allowed citizens to leave their homes to perform Essential Activities, including obtaining and delivering food, and to operate Essential Businesses and Operations. (*Id.* at ¶ 23.) “Outdoor Activity,” including running, walking, hiking, or biking, is an Essential Activity, as is shopping for “necessary supplies and services,” including household consumer products. (*Id.* at ¶ 25.)

**THERE IS NO COVERAGE UNDER THE SOCIETY POLICIES AS A MATTER OF LAW.**

The only issue in this case is a question of law: whether the losses claimed by Plaintiffs come within the terms and conditions of the insurance contracts between the parties. Under Illinois law, which applies to policies issued in Illinois to Illinois businesses, the construction of an insurance policy is a question of law, not fact, and is properly resolved by the court on a dispositive motion. *River v. Commercial Life Ins. Co.*, 161 F.3d 1164, 1169 (7th Cir. 1998); *Phillips v.*

*Prudential Ins. Co. of America*, 714 F.3d 1017, 1023-24 (7th Cir. 2013); *Hartford Cas. Ins. Co. v. Hench Control Corp.*, 413 F. Supp. 3d 761, 766 (N.D. Ill. 2019); *Outboard Marine Corp v. Liberty Mut. Ins. Co.*, 154 Ill. 2d 90, 108, 607 N.E.2d 1204 (1992). The existence of coverage is an essential element of Plaintiffs' case, and Plaintiffs have the burden to prove their loss falls within the terms of the Society Policies. *Fiorentini v. Paul Revere Life Ins. Co.*, 893 F.3d 476, 480 (7th Cir. 2018) (citing *St. Michael's Orthodox Catholic Church v. Preferred Risk Mut. Ins. Co.*, 146 Ill. App. 3d 107, 109-110, 496 N.E.2d 1176 (Ill. App. Ct 1986)).

The court must construe the policy as a whole “taking into account the type of insurance for which the parties have contracted, the risks undertaken and purchased, the subject matter that is insured and the purposes of the entire contract.” *Westfield Ins. Co. v. Vandenberg*, 796 F.3d 773, 778 (7th Cir. 2015) (citing *Crum & Foster Managers Corp. v. Resolution Trust Corp.*, 156 Ill. 2d 384, 391, 620 N.E. 2d 1073 (Ill. 1993)). The policy must be read as a whole, “with the assumption that every provision was intended to serve a purpose.” *Omega Demolition Corp. v. Travelers Property Cas. of Am.*, No. 14-cv-01288, 2015 WL 3857341, at \* 4 (N.D. Ill. June 19, 2015) (citing *Founders Ins. Co. v. Munoz*, 237 Ill. 2d 424, 433, 930 N.E.2d 999 (Ill. 2010)). “Insurance policies must be construed and enforced as made by the parties; the courts have no right to make a new contract for the parties...” *Schewe v. Home Ins. Co.*, 80 Ill. App. 3d 829, 832, 400 N.E. 2d 501 (Ill. App. Ct. 1980). Clear and unambiguous policy terms and provisions must be taken in their plain, ordinary and popular sense. *Starr Indem. & Liab. Co. v. Tech. Ins. Co., Inc.*, No. 16-cv-09533, 2017 WL 4340177, at \* 4 (N.D. Ill. Sept. 30, 2017); *Travelers Ins. Co. v. Eljer Mfg., Inc.*, 197 Ill.2d 278, 292-93, 757 N.E.2d 481 (2001)).

**I. THERE IS NO COVERAGE UNDER THE BUSINESS INCOME OR EXTRA EXPENSE ADDITIONAL COVERAGES BECAUSE PLAINTIFFS' CLAIM WAS NOT THE RESULT OF "PHYSICAL" LOSS OR DAMAGE, NOR WAS IT CAUSED BY A COVERED CAUSE OF LOSS.**

**A. THE ACTUAL OR SUSPECTED PRESENCE OF THE CORONAVIRUS DOES NOT CAUSE A DIRECT "PHYSICAL" LOSS OR DAMAGE AND IS NOT A COVERED CAUSE OF LOSS.**

As Plaintiffs admit, the Business Income and Extra Expense additional coverages of the Society Policies cover loss of business income and extra expenses sustained due to a suspension of the insured's operations only if that suspension is caused by a "direct physical loss of or damage to covered property at the described premises." (Compl at ¶¶ 25-26 (emph. added).) Additionally, the Society Policies require that the loss or damage be caused by a Covered Cause of Loss, i.e., a "direct physical loss." (SOF at ¶¶ 46-48, 50-51.) Plaintiffs do not present a claim for "direct physical loss of or damage to covered property at the described premises." Under the plain language of the Society Policies and Illinois law, the term "physical" in the phrases "direct physical loss of or damage to covered property" and "direct physical loss" clearly modifies "loss of or damage to" and "loss." *Eljer Mfg., Inc.*, 197 Ill. 2d at 301; *see also, Ward Gen'l Ins. Servs., Inc. v. Employer's Fire Ins. Co.*, 7 Cal. Rptr. 3d 844, 489 (Cal. Ct. App. 2003) (finding that the word "physical" modifies both loss and damage because "[m]ost readers expect the first adjective in a series of nouns or phrases to modify each noun or phrase in the following series unless another adjective appears").

Under Illinois law, a property sustains a "physical" injury when it "is altered in appearance, shape, color or in other material dimension." *Eljer Mfg., Inc.*, 197 Ill. 2d at 301. Conversely, intangible damage, such as diminution in value, is not a "physical" injury to property. *Id.* at 301-02. The Seventh Circuit has similarly found that the requirement of a "physical" loss is met where there is a change in the physical, as opposed to intangible, characteristics of the property. *Advance*



*Cable Co. v. Cincinnati Ins. Co.*, 788 F.3d 743, 747 (7th Cir. 2015) (construing policy under Wisconsin law); *see also*, *Windridge of Naperville Condo v. Philadelphia Indem. Ins. Co.*, 932 F.3d 1035, 1040 (7th Cir. 2019) (construing policy under Illinois law). As explained by a leading treatise on insurance law (*Couch on Insurance*): “[t]he requirement that the loss be ‘physical,’ given the ordinary definition of that term, is widely held to exclude losses that are intangible or incorporeal, and, thereby to preclude any claim against the property insurer when the insured merely suffers a detrimental economic impact unaccompanied by a distinct, demonstrable, physical alteration of the property.” 10A *Couch On Insurance* § 148.46 (3d Ed. 2019).

The interpretation of “physical” in *Eljer Manufacturing* is consistent with the decisions of courts across the country that have interpreted the phrase “direct physical loss.” *See, e.g., Ward Gen. Ins. Servs.*, 114 Cal. App. 4th at 556 (“direct physical loss” requires loss of something that “has a material existence, formed out of tangible matter, and is perceptible to the sense of touch”); *Universal Image Prods., Inc. v. Fed. Ins. Co.*, 475 Fed. Appx. 569 (6th Cir. 2012) (requirement of “direct physical loss or damage” not met where presence of bacteria in air conditioning system did not cause tangible damage to insured premises); *Columbiaknit, Inc. v. Affiliated FM Ins. Co.*, No. Civ. 98–434–HU, 1999 WL 619100, at \*7 (D.Or. Aug.4, 1999) (exposure of clothing to elevated spore counts was not “physical loss” in the absence of a “distinct and demonstrable physical change to the garment necessitating some remedial action”); *Mastellone v. Lightning Rod Mut. Ins. Co.*, 175 Ohio App. 3d 23, 884 N.E. 2d 1130, 1144 (Ohio Ct. App. 2008) (holding that mold does not constitute “physical damage” because “[t]he presence of surface mold did not alter or affect the structural integrity of the [property]”).

Even if the virus that causes COVID-19 had been present on insured premises, it would not constitute a “direct physical loss of or damage to” covered property caused by a Covered Cause

of Loss. Unlike asbestos, the substance at issue in the case Plaintiffs rely on, the virus is not incorporated into the structure of the property, does not require the physical alteration of the building for removal, and does not render the building unfit for use. *See, Bd. of Educ. of Twp. High Sch. Dist. No. 211 v. Int’l Ins. Co.*, 720 N.E.2d 622 (Ill. Ct. App. 1999). Rather, the virus that causes COVID-19 can be easily removed from surfaces with soap and water and rendered inert with various common household disinfectants, including bleach. (SOF at ¶¶ 10-11.) Thus, cases dealing with substances like asbestos-related building repair are inapposite to cases such as this one, where the only action needed is, at most, basic cleaning, sanitization, and in some cases, a reduction in capacity to allow for proper social distancing. In sum, Plaintiffs’ alleged losses are at most economic losses, not a direct physical loss or damage.

This case is more akin to *Universal Image* and *Mallestone*. In *Mallestone* the court held the policyholder failed to show a “physical loss to property” where mold had grown on the surface of the insured’s exterior wood siding. 884 N.E. 2d at 1143-45. The court observed that the mold had merely grown on the surface of the wood, did not “attack” the wood itself, and could be easily removed through cleaning with basic household products, such as bleach. *Id.* The mold did not alter the siding itself, which would remain undamaged after cleaning, and was, therefore, not a physical loss. *Id.* at 1144-45. The fact that the mold would reoccur “in short order” and the siding would need regular cleaning did not transform the surface growth of mold into a physical loss. *Id.*

Similarly, in *Universal Image*, the Sixth Circuit affirmed a lower court ruling that Universal did not suffer any tangible, physical losses when it experienced a microbial contamination, including black mold capable of emitting spores, in the HVAC system of its leased premises. 475 Fed. Appx. at 570-73. The HVAC system had to be shut down for an extended period to perform cleaning. During this period, Universal’s business “suffered severe disruptions,” the poor

ventilation caused temperatures to exceed 100 degrees, and Universal had to remove its operations from one of the floors it leased. *Id.* at 570-71. As a result of the business disruption, Universal vacated the premises entirely. *Id.* at 570-71. Nonetheless, the court held there was no “direct physical loss or damage” because there was no tangible damage to property, and the temporary, “difficult” conditions caused by the microbial contamination did not render the building completely uninhabitable or unusable. *Id.* at 573-75. While Universal did have to clean personal property with household cleaners to remove any possible mold or bacteria contaminant, these were economic losses, and did not constitute physical loss or damage. *Id.* at 573 (citing *Columbiaknit*, 1999 WL 619100, at \*6 for holding that clothing is not physically damaged if “mere washing” would alleviate alleged damage).

As in *Mallestone* and *Universal Image*, even if the virus that causes COVID-19 was present, there would be no “direct physical loss of or damage to covered property.” The virus can be easily removed with basic household cleaning products, and it does not harm or alter the structure or physical characteristics of the walls, countertops, doorknobs or any other part of Plaintiffs’ property. Therefore, there has been no “direct physical loss of or damage to covered property at the described premises” and no “Covered Cause of Loss” within the meaning of the Society Policies. *Eljer Mfg., Inc.*, 197 Ill. 2d at 301-02.

Further, the virus has not rendered Plaintiffs’ premises unsafe, unusable, or uninhabitable. Rather, as is evidenced by the limitations imposed by Governor Pritzker’s Executive Orders, it is groups of people, without adequate social distancing, that are unsafe regardless of location because of the risk of transmission. (SOF at ¶¶ 14, 16, 18, 22.) This distinction is demonstrated by the fact that under the March 16 Executive Order, restaurants and other facilities that serve food, including those owned by Plaintiffs, are allowed, encouraged, and are continuing to operate on their premises

for the purposes of selling food and beverages for off-premises consumption. (*Id.* at ¶¶ 15, 21.) In fact, all three Buttermilk restaurants have been, and continue, to operate on their premises, which indisputably establishes the premises are habitable and usable. Similarly, Hollywood Boulevard Cinema is allowed to sell food and alcohol for delivery and takeout and access its premises for purposes of maintaining the facility, inventory, payroll, and similar Minimum Basic Operations. (*Id.* at ¶ 24.) Moreover, countless facilities throughout the country continue to operate even when the virus is known or suspected to be present, such as hospitals, medical clinics, grocery stores, dry cleaners, and hardware stores. Though the virus requires that precautions be taken in any space, it does not render premises uninhabitable or unusable and does not cause a direct physical loss of or damage to property. Consequently, Plaintiffs have not suffered the type of harm covered by the Society Policies, nor have they suffered a harm resulting from a Covered Cause of Loss. Therefore, there is no coverage under the Society Policies as a matter of law and the Court should either dismiss Count I and II of Plaintiffs' Complaint for failure to state a claim upon which relief can be granted or, in the alternative, grant summary judgment in Society's favor.

**B. THE PARTIAL TEMPORARY LIMITATION OF PLAINTIFFS' OPERATIONS IMPOSED BY GOVERNOR PRITZKER'S EXECUTIVE ORDERS IS NOT A "PHYSICAL" LOSS OR DAMAGE AS A MATTER OF LAW.**

The Executive Orders that temporarily limit the types of business operations Plaintiffs can perform on their premises do not, as a matter of law, constitute a "physical" loss or damage. The Executive Orders have resulted in a temporary, partial, and intangible limitation of business operations, similar to a change in zoning that alters the hours a business can be open or a temporary suspension of a liquor license, not an alteration in the physical characteristics of property.

The only court in Illinois to consider whether a limitation on use constitutes "physical" property damage rejected that proposition. In the context of a third-party liability policy, the court

in *Mutlu v. State Farm Fire and Casualty* denied recovery where the insured sought coverage for the defense and indemnity of a lawsuit that alleged the insured deprived other condominium owners in his building of the use of hot water. 337 Ill. App. 3d 420, 423, 785 N.E. 2d 951 (Ill. App. Ct. 2003). The policy at issue insured against liability for property damage, defined as “physical damage to or destruction of tangible property, including loss of use.” *Id.* at 426. The court found that under the Illinois Supreme Court’s decision in *Eljer Manufacturing*, the loss of use of hot water did not constitute “physical” damage and thus held that there was no coverage for loss of use of tangible property unless physical damage or destruction was also shown. *Id.* at 431.

*Mutlu* is consistent with the opinions of sister courts considering first party property insurance policies. In *Roundabout Theatre Company v. Continental Casualty*, for example, the Appellate Division of the Supreme Court of New York held there was no “direct physical loss or damage” under an insurance policy where a plaintiff theater company lost all access to its premises due to a municipal order that closed the street the theater was located on. 302 A.D.2d 1 (N.Y. App. Div. 2002). The order was issued as a result of a construction accident on a nearby property, but the premises of the theater did not sustain any physical damage. *Id.* at 3. The street was closed for nearly a month “because of the substantial damage to the area and the danger from the partially collapsed scaffold.” *Id.* As a result, the theater was completely inaccessible to the public and forced to cancel all performances. *Id.* The court rejected the plaintiff’s argument that “loss” should be read as including “loss of use” and held the policy unambiguously required direct physical damage to the theater itself for coverage. *Id.* at 7; *see also, Newman Myers Kreines Gross Harris, P.C. v. Great Northern Ins. Co.*, 17 F. Supp. 3d 323, 331 (S.D.N.Y. 2014) (finding the words “direct” and “physical” require “actual, demonstrable harm of some form to the premises itself, rather than forced closure of the premises for reasons exogenous to the premises themselves”)

(emph. added); *Pentair v. Am. Guarantee and Liab. Ins.*, 400 F.3d 613, 615 (8th Cir. 2005) (loss of use and function of a factory during period it was without electricity was not a direct physical loss).

The Eighth Circuit held a United States Department of Agriculture embargo on imports of beef from Canada due to mad cow disease was not a direct physical loss. *Source Food Tech. v. U.S. Fid. and Guaranty*, 465 F.3d 834, 835 (8th Cir. 2006). Plaintiff owned a load of beef product that had been manufactured, packaged, and loaded onto a truck by its supplier in Canada. *Id.* Although there was no evidence that plaintiff's beef product was contaminated by mad cow disease, the plaintiff contended that the loss of use, function, and access to it constituted a "direct physical loss" under the terms of its policy. *Id.* at 835-36. The court held that because the property, namely the beef product, was not physically damaged or contaminated, the plaintiff had failed to establish a direct physical loss. *Id.* at 837-38.

Courts have also found that reduced consumer demand resulting from a limitation on an insured's business operations at the insured premises due to a governmental order is not a "direct loss." *Brothers Inc. v. Liberty Mut. Fire Ins. Co.*, 268 A.2d 611 (D.C. 1970). In *Brothers*, the local government imposed a 5:30 p.m. curfew and prohibited the sale of alcoholic beverages in response to riots following the assassination of Martin Luther King, Jr. *Id.* at 611-12. The insured's policy covered "direct" losses to covered property from riot and civil commotion; however, the Court held that the policy did not provide coverage for the plaintiff's claims because the "business 'falloff'" resulting from the inability to conduct business on its premises after 5:30 p.m. was not a "direct" loss by a riot. *Id.* at 613. Rather, the court found that "[a]t the most, the loss incurred here was an indirect, if not remote loss resulting from riots." *Id.*

The Executive Orders have not altered the tangible, physical characteristics of the premises. They have caused nothing more than a temporary and partial limitation of allowable operations at Plaintiffs' premises, which is, at most, an economic loss and not a physical loss covered by the Society Policies. *Eljer Mfg.*, 197 Ill. 2d at 301-02. Therefore, as a matter of law there is no coverage under the Society Policies.

**C. THE PERIOD OF RESTORATION CLAUSE IS FURTHER EVIDENCE THAT “PHYSICAL” LOSS OR DAMAGE REQUIRES A TANGIBLE CHANGE IN THE PHYSICAL CHARACTERISTICS OF PROPERTY.**

The fact that the Business Income Additional Coverage of the Society Policies only provides coverage for loss of business income that was sustained during the “period of restoration” further demonstrates the meaning of the requirement of “physical” loss or damage. “Period of Restoration” begins with the “direct physical loss or damage” and ends on the earlier of “the date when the property at the described premises should be repaired, rebuilt or replaced” or “when business is resumed at a new permanent location.”

This Court is to construe the policy as a whole and give meaning to each provision. *Eljer Mfg.*, 1997 Ill. 2d at 292. The definition of “period of restoration” provides additional proof of the intended meaning of “physical loss or damage” as used in the Society Policies. Read together, it is clear the phrase “physical loss of or damage to” does not encompass a substance, like a virus, that can be easily removed with household cleaning products or a temporary limitation on the use of a property. Rather, it refers to a loss or damage that causes a physical alteration of the property that requires the property to be repaired, rebuilt, or replaced. *See, e.g., Newman Myers*, 17 F. Supp. 3d at 332 (explaining that use of “repair” and “replace” in period of restoration clause “contemplates physical damage to the insured premises as opposed to loss of use of it”); *Roundabout Theatre*, 302 A.D.2d at 8 (same).

Here, there is no “period of restoration” because there is nothing on Plaintiffs’ premises that needs to be repaired, rebuilt, or replaced. In fact, three Plaintiffs continue to use their restaurants to prepare and serve take-out and delivery. (SOF at ¶¶ 53-56.) Similarly, Hollywood Boulevard Cinema’s premises remains intact and it could choose to sell food and alcohol for off-premises consumption. When determining the parties’ intent, the policy must be read as a whole, “with the assumption that every provision was intended to serve a purpose.” *Omega Demolition*, No. 14-cv-01288, 2015 WL 3857341, at \* 4 (citing *Founders Ins.*, 237 Ill. 2d at 433). Adopting Plaintiffs’ interpretation of “direct physical loss” would render the entire “period of restoration” clause meaningless since it would be illogical to define the end date for coverage as the completion of a “repair” if the property does not need to be repaired.

## **II. THERE IS NO COVERAGE UNDER THE CIVIL AUTHORITY ADDITIONAL COVERAGE PART.**

Contrary to Plaintiffs’ suggestion, the Civil Authority additional coverage part has a very specific set of terms and conditions that must be met. To establish coverage under Civil Authority, Plaintiffs have the burden to prove all four of the following elements: (1) damage to property other than property at the described premises that is caused by a Covered Cause of Loss, (2) an action by a civil authority that prohibits access to the described premises, (3) the action of civil authority prohibits access to the area immediately surrounding the damaged property, and the insured premises are within that area, and (4) the action of civil authority is taken in response to dangerous physical conditions that result from the property damage or continuation of the Covered Cause of Loss that caused the damage. (SOF at ¶ 51.) Plaintiffs have not and cannot prove a single one of these elements. The first element cannot be proven because, for the reasons explained above, the coronavirus does not cause damage to property and is not a direct physical loss.



The second element cannot be met because Plaintiffs' access to their premises have not been prohibited. While the Executive Orders limit the business operations that may be conducted on the premises, much like a zoning ordinance, they do not prohibit access to the premises. In fact, three Plaintiffs are currently open and operating on their premises to fulfill take-out and delivery orders (Compl. at ¶ 1, SOF at ¶¶ 53-56). Even owners and employees of Non-Essential Businesses are allowed access to their premises in order to perform Minimum Basic Operations, such as processing payroll and employee benefits, ensuring security of the premises, maintaining inventory, and preserving the condition of the premises. (SOF at ¶ 24.) Actions of civil authority that interrupt business but do not prohibit access to the insured premises entirely do not fall within the terms of Civil Authority provisions such as the one in the Society Policies. *See, e.g., Kean, Miller, Hawthorne, D'Armond McCowan & Jarman LLC v. Nat'l Fire Ins. Co. of Hartford*, No. 06-770-C, 2007 WL 2489711, at \* 4 (M.D. La. Aug. 29, 2007) (no civil authority coverage for state of emergency declared as result of Hurricane Katrina where insured conceded employees had access to building); *730 Bienville Partners, Ltd. v. Assurance Co. of Am.*, No. Civ.A. 02-106, 2002 WL 31996014, at \* 2 (E.D. La. Sept. 30, 2002) (no civil authority coverage for hotel whose customers were prevented from accessing hotel by FAA's cancellation of flights).

For similar reasons, Plaintiffs cannot prove the third element, which requires an action of civil authority that prohibits access to the immediate area surrounding Plaintiffs' properties. Plaintiffs appear to take the position that this element is met by the Executive Orders, which apply to the entire state of Illinois. The logical extension of this argument is that the Executive Orders prohibit access to the entire state of Illinois, which is clearly not the case. Thousands, if not millions, of employees of Essential Businesses go to work every day in Illinois, and the public streets and sidewalks throughout the state, including those surrounding Plaintiffs' premises, remain

open and in use by the public. Essential Businesses are operating, and Non-Essential Businesses are carrying on Minimum Basic Operations. Residents are going to their favorite restaurants to collect carry-out orders and performing other Essential Activities such as going to the grocery store, pharmacy, or engaging in “outdoor activity” by walking around the block.

Finally, the requirement that the action of civil authority was taken in response to dangerous conditions caused by damage to property other than the described premises cannot be met. There has been no property damage because, as discussed above, neither the virus that causes COVID-19 nor the Executive Orders entered in response to the virus have caused property damage. Rather, the Executive Orders were entered to inhibit and slow the **future** transmission of COVID-19 between people, and actions taken to prevent a future harm do not trigger coverage under the Civil Authority additional coverage part of the Society Policies. *See, e.g., United Airlines, Inc. v. Ins. Co. of the State of Penn.*, 439 F.3d 128, 129 (2d Cir. 2006) (no civil authority coverage for airline after federal government shutdown airport after 9/11 because order was issued due to risk of future terrorist attacks, not as result of damage to Pentagon); *Dickie Brennan & Co. v. Lexington Ins. Co.*, 636 F.3d 683 (5th Cir. 2011) (civil authority coverage not triggered because evacuation order was issued due to future possible storm surge, high winds, and flooding based on projected path of Hurricane Gustav, not due to property damage already caused by Gustav in Caribbean); *Jones, Walker, Waechter, Poitevent, Carrere & Denegre, LLP v. Chubb Corp.*, No. 09-6057, 2010 WL 4026375, at \* 3 (E.D. La. Oct. 12, 2010) (civil authority coverage not triggered by evacuation order issued prior to arrival of Hurricane Gustav because order not issued as result of existing direct physical loss or damage to property); and *Kelagher, Connell & Conner, P.C. v. Auto-Owners Ins.*, --- F. Supp. 3d ---, No. 4:19-cv-00693, 2020 WL886120, at \* 5-6 (D. S.C. Feb. 24, 2020)

(civil authority coverage not triggered by evacuation order issued prior to arrival of Hurricane Florence).

Like the cases cited above, the Executive Orders were not issued because of any property damage, but instead to prevent a future harm, i.e., the *future* transmission of the virus between people. The timetable for fully reopening Plaintiffs' businesses to the public has nothing to do with repairing, mitigating, or responding to any property damage, or even the presence of the virus on property as of the date the orders were entered since the virus can be quickly removed in a matter of minutes with household cleaning products. Instead, the Executive Orders were to prevent or slow the rate of infection, and thus the timetable for fully reopening businesses in Illinois is tied to the percentage of positive COVID-19 cases, the rate of hospital admissions for COVID-19 like illnesses, and the available capacity of ICU beds and ventilators, instead of the time it would take to clean premises. (SOF at ¶ 38.) Thus, for all of the reasons discussed above, there is no coverage available to Plaintiffs under the Civil Authority additional coverage part of the Society Policies.

### **III. THERE IS NO COVERAGE UNDER THE CONTAMINATION ADDITIONAL COVERAGE PART.**

"Contamination" is defined in the policy as "a defect, deficiency, inadequacy or dangerous conditions in your products, merchandise, or premises." The Contamination additional coverage part pays for loss of business income and extra expense that is the result of "contamination" only in three limited scenarios. The first is when "contamination" "results in an action by a public health or other governmental authority that prohibits access to the described premises or production of your product." (*Id.* at ¶ 52.) Plaintiffs contend that the Executive Orders constitute the required "action of governmental authority." (Compl. at ¶ 59.) Thus, for Plaintiffs' losses to be covered under this section, the Executive Orders must have prohibited access to the described premises and have been the result of a "defect, deficiency, inadequacy or dangerous condition" in

Plaintiffs' products, merchandise, or premises. As discussed above, the Executive Orders did not prohibit access to any of Plaintiffs' premises, as three Plaintiffs are currently operating their businesses on their premises and Hollywood Boulevard Cinema is allowed to sell food and alcohol for delivery and takeout and access its premises for purposes of maintaining the facility, inventory, payroll, and similar Minimum Basic Operations. Moreover, the Executive Orders were not entered because of the presence of the virus that causes COVID-19 on any of Plaintiffs' premises. Accordingly, coverage is not available under this section of the Contamination additional coverage part.

The second scenario is when the insured's losses were caused by a "contamination threat," defined in the Society Policies as "a threat made by a third party against you to commit a 'malicious contamination' unless the third party's demand for money or other consideration is met." (SOF at ¶ 52.) Plaintiffs have made no allegations that they have been threatened by a third party with a malicious contamination, defined as "an intentional, malicious and illegal altercation or adulteration of your products." (*Id.*) This section of the Contamination additional coverage is not applicable to this situation and does not provide coverage for Plaintiffs' claimed losses.

The third and final scenario in which the Contamination additional coverage applies is where the losses are caused by "[p]ublicity" resulting from the discovery or suspicion of contamination." (*Id.*) Under the Society Policies, "[p]ublicity" means a publication or broadcast by the media, of the discovery or suspicion of 'contamination' at a described premise." (*Id.*) Thus, coverage would only be triggered under this section if there had been a media publication or broadcast regarding the actual or suspected presence of the virus that causes COVID-19 at the insured premises. Plaintiffs have not alleged, and Society is not aware, of any media publications or broadcasts discussing the presence of COVID-19 at the three Buttermilk restaurants or

Hollywood Boulevard Cinema. As a result, Plaintiffs' claimed loss fails to fall within the plain terms of the Society Policies and there is no coverage.

**IV. PLAINTIFFS' CLAIM FOR STATUTORY BAD FAITH FAILS BECAUSE THERE IS NO COVERAGE UNDER THE SOCIETY POLICIES AND A BONA FIDE COVERAGE DISPUTE.**

Plaintiffs' claim for bad faith also fails as a matter of law and can be disposed of by dispositive motion. *See, e.g., Uhlich Children's Adv. Network v. Nat'l Union Fire Ins. Co.*, 929 N.E.2d 531, 543 (Ill. App. Ct. 2010) (affirming the dismissal of a section 155 bad faith claim on a motion to dismiss); *Am. Alliance Ins. Co. v. 1212 Restaurant Grp., L.L.C.*, 794 N.E.2d 892, 901 (Ill. App. Ct. 2003) (affirming entry of judgment on the pleadings in favor of insurance carrier on claim for bad faith under section 155). This Court must strictly construe Section 155 of the Illinois Insurance Code because it is penal in nature and in derogation of the common law. *Citizens First Nat. Bank of Princeton v. Cincinnati Ins. Co.*, 200 F.3d 1102, 1110 (7th Cir. 2000); *Morris v. Auto-Owners Ins. Co.*, 239 Ill.App.3d 500, 509 (4th Dist. 1993).

Where, as in this case, there is no coverage under the policy, there can be no finding of vexatious and unreasonable conduct warranting an award of attorney fees under section 155. *See, e.g., Ill. State Bar Ass'n Mut. Ins. Co. v. Cavenagh*, 983 N.E.2d 468, 479 (Ill. App. Ct. 2012) ("But '[w]here the policy does not apply, there can be no finding that the insurer acted vexatiously and unreasonably [in denying the claim.]'" (quoting *Am. Family Mut. Ins. Co. v. Fisher Dev., Inc.*, 909 N.E. 2d 274, 284 (Ill. App. Ct. 2009))); *Hoover v. Country Mut. Ins. Co.*, 975 N.E.2d 638, 647 (Ill. App. Ct. 2012) ("[T]he statute presupposes an action on the policy, and therefore, in order for a plaintiff to recover under section 155, he must also succeed in the action on the policy."). Where the policy does not apply to the claimed losses, a claim under section 155 should be dismissed on a dispositive motion. *Cavenagh*, 983 N.E. 2d at 479.

Additionally, if there is a *bona fide* dispute regarding coverage—meaning a dispute that is real, genuine, and not feigned—statutory sanctions under section 155 are not appropriate. *Phillips v. Prudential Ins. Co. of America*, 714 F.3d 1017, 1023-24 (7th Cir. 2013); *One Place Condominium, LLC v. Travelers Property Cas. Magistrate Co.*, No. 11-C-2520, 2014 WL 1018192, at \*15 (N.D. Ill. Mar. 17, 2014); *Baxter Int’l, Inc. v. Am. Guarantee and Liab. Ins. Co.*, 861 N.E. 2d 263, 272 (Ill. App. Ct. 2006). As demonstrated by Society’s argument above, there is, at a minimum, a *bona fide* dispute regarding coverage of Plaintiffs’ claims. Accordingly, this Court should enter an order either dismissing Plaintiffs’ Complaint with prejudice pursuant to Rule 12(b)(6) or, in the alternative, granting summary judgment in Society’s favor on Count III of Plaintiffs’ Complaint.

### **CONCLUSION**

WHEREFORE, the Defendant, Society Insurance, respectfully requests that this Honorable Court enter an order either dismissing Plaintiffs’ Complaint with prejudice pursuant to Rule 12(b)(6) or, in the alternative, granting summary judgment in favor of Society on the Plaintiffs’ Complaint in its entirety; declaring there is no coverage for Plaintiffs’ claims under the Society Policies; and granting Society such other and further relief as this Court deems just.

Thomas B. Underwood (#3122933)  
Michael D. Sanders (##6230187)  
Michelle A. Miner (#6299524)  
Amy E. Frantz (#6312526)  
PURCELL & WARDROPE, CHTD.  
10 South LaSalle Street, Suite 1200  
Chicago, IL 60603  
(312) 427-3900  
tbu@pw-law.com  
msanders@pw-law.com  
mminer@pw-law.com  
afrantz@pw-law.com

Respectfully submitted,

Society Insurance

By: /s/ Thomas B. Underwood  
Counsel for Defendant

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS,  
EASTERN DIVISION**

BISCUIT CAFE, INC., d/b/a Buttermilk )  
Geneva, BUTTERMILK NAPERVILLE, )  
INC., d/b/a Buttermilk, BM VERNON, )  
INC., d/b/a Buttermilk, HOBSON )  
FINANCIAL GROUP OF ILLINOIS, )  
INC., d/b/a Hollywood Boulevard Cinema, )  
individually and on behalf of all others )  
similarly situated, )

Plaintiffs, )

Case No. 1:20-cv-02514

v. )

SOCIETY INSURANCE, INC., )

Honorable Judge Andrea R. Wood

Defendant. )

Magistrate Judge Jeffrey Cole

**DEFENDANT SOCIETY INSURANCE'S LOCAL RULE 56.1 STATEMENT OF  
UNDISPUTED MATERIAL FACTS**

Defendant Society Insurance, by and through its attorneys Thomas B. Underwood, Michael D. Sanders, Michelle A. Miner and Amy E. Frantz of Purcell & Wardrope, Chtd., submits this statement of undisputed material facts.

**Description Of The Parties**

1. Plaintiff Biscuit Cafe, Inc., d/b/a Buttermilk Geneva, is a corporation incorporated and existing under the laws of the State of Illinois with its principal place of business located at 7 West State Street, Geneva, Illinois 60134. (Compl. at ¶ 6.)

2. Plaintiff Buttermilk Naperville, Inc., d/b/a Buttermilk, is a corporation incorporated and existing under the laws of the State of Illinois with its principal place of business located at 1715 Freedom Drive, Naperville, Illinois 60563. (*Id.* at ¶ 7.)

3. Plaintiff BM Vernon, Inc., d/b/a Buttermilk, is a corporation incorporated and existing under the laws of the State of Illinois with its principal place of business located at 925 North Milwaukee Avenue, Unit 100, Vernon Hills, Illinois 60061. (*Id.* at ¶ 8.)

4. Plaintiff Hobson Financial Group of Illinois, Inc., d/b/a Hollywood Boulevard Cinema is a corporation incorporated and existing under the laws of the State of Illinois with its principal place of business located at 1001 West 75th Street, Woodridge, Illinois 60517. (*Id.* at ¶ 9.)

5. Defendant Society Insurance is a mutual insurance company, incorrectly sued as “Society Insurance, Inc.,” organized and existing under the laws of the State of Wisconsin with its principal place of business in Fond du Lac, Wisconsin.

6. Defendant is an insurance company engaged in the business of selling insurance contracts to commercial entities such as Plaintiffs in Illinois and elsewhere, and otherwise conducts business throughout this District, the State of Illinois, and the United States. (*Id.* at ¶ 10.)

### **Jurisdiction and Venue**

7. This Court has subject matter jurisdiction under 28 U.S.C. § 1332(a) because there is complete diversity between the parties and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

8. This Court has jurisdiction to grant declaratory relief under 28 U.S.C. § 2201 because an actual controversy exists between the parties as to their respective rights and obligations under the Policies with respect to the loss of business income and extra expense arising from the events detailed herein.

9. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2) because a



substantial part of the events giving rise to Plaintiffs' claims occurred within the Northern District of Illinois.

### **Undisputed Material Facts**

#### **CDC Guidance Regarding COVID-19**

10. Attached as Exhibit 1 is a copy of the CDC's Guidance for Cleaning and Disinfecting Public Spaces, Workplaces, Businesses, Schools, and Homes, ("the CDC Guidance"), available at <https://www.cdc.gov/coronavirus/2019-ncov/community/clean-disinfect/index.html> (last visited June 9, 2020).

11. According to the CDC Guidance, COVID-19 can be removed or destroyed on surfaces using soap and water and a number of ordinary household disinfectants, including bleach. (Ex. 1.)

#### **Governor Pritzker's Social Distancing Orders**

12. On March 16, 2020, Illinois Governor issued Executive Order 2020-07 ("the March 16 Order.") A copy the March 16 Executive Order is attached as Exhibit 2.

13. The March 16 Order states that "COVID-19 is a novel and severe acute respiratory illness that can spread among people through respiratory transmission." (Ex. 2 at 1.)

14. The March 16 Order further states that "social distancing, which consists of maintain [sic] at least a six-foot distance between people, is the paramount strategy for minimizing the spread of COVID-19." It goes on to say, "[T]he number of suspected COVID-19 cases in Illinois is increasing exponentially . . . indicating that drastic social distancing measures are needed." (*Id.* at 1-2.)

15. The March 16 Order provides that, beginning March 16, 2020 at 9 p.m., restaurant and bars "must suspend service for and may not permit on-premises consumption. Such businesses are permitted and encouraged to serve food and beverages so that they may be consumed off-

premises, as currently permitted by law, through means such as in-house delivery, third-party delivery, drive-through, and curbside pick-up. In addition, customers may enter the premises to purchase food or beverages for carry out.” (*Id.*)

16. The reason for the prohibition of on-premises consumption of food at restaurants, as set forth in the March 16 Order, is because such public dining “usually involves prolonged close social contact contrary to recommended practice for social distancing.” (*Id.* at 1.)

17. On March 20, 2020 Governor Pritzker issued executive order 2020-10 (“March 20 Order.”) A copy of the March 20 Order is attached as Exhibit 3.

18. The March 20 Order required all businesses and operations in the state to cease, with the exception of “Essential Businesses,” and prohibited gatherings of more than ten people. (Ex. 3, at 2, ¶¶ 2-3.)

19. The March 20 Order states that it was entered into “for the preservation of public health and safety throughout the entire State of Illinois and to ensure that our healthcare delivery system is capable of serving those who are sick . . . [and] to slow and stop the spread of COVID-19.” (Ex. 3 at 1.)

20. Essential Businesses under the March 20 Order include “[r]estaurants and other facilities that prepare and serve food, but only for consumption off-premises, through such means as in-house delivery, third-party delivery, drive through, curbside pick-up, and carry-out.” (*Id.* at 6-7, ¶12(l).)

21. Essential Businesses were encouraged to remain open. (*Id.* at 2, ¶ 2.)

22. The March 20 Order requires Essential Businesses, to the greatest extent feasible, to “comply with Social Distancing Requirements as defined in this Executive Order, including by

maintaining six-foot social distancing for both employees and members of the public at all times.”  
(*Id.* at p. 2, ¶ 2.)

23. Individuals were allowed to leave their homes for “Essential Activities” and obtaining and delivering food are “Essential Activities” under the March 20 Order. (*Id.* at 3, ¶ 5(b).)

24. Under the March 20 Order, Non-Essential Businesses are allowed to perform Minimum Basic Operations on their premises, including processing payroll and employee benefits, ensuring security of the premises, maintaining inventory, and preserving the condition of the premises. (*Id.* at p. 2, ¶ 2, p. 8, ¶ 13.)

25. Under the March 20 Order, “Outdoor Activity,” including running, walking, hiking, or biking is an Essential Activity, as is shopping for “necessary supplies and services,” including household consumer products. (*Id.* at 3, ¶ 5(b-c).)

26. On April 1, Governor Pritzker executed Executive Order 2020-18 (“April 1 Order”), a copy of which is attached as Exhibit 4.

27. Attached as Exhibit 5 is a copy of Executive Order 2020-33, which was issued by Governor Pritzker on April 30, 2020.

28. Attached as Exhibit 6 is a copy of Executive Order 2020-32, which was issued by Governor Pritzker on April 30, 2020.

29. The Executive Orders attached as Exhibits 2-6 hereto do not prohibit Plaintiffs from accessing their premises.

30. The Executive Orders attached as Exhibits 2-6 hereto do not prohibit access to public spaces such as streets or sidewalks surrounding the insured premises.

31. Attached as Exhibit 7 is a copy of a document entitled Illinois Liquor Control Commission March 31 COVID-19: Compliance Directive.

32. The Illinois Liquor Control Commission interpreted Governor Pritzker's orders as allowing bars and taverns to receive the delivery of beer, wine, and liquor from wholesalers, and, if allowed by local ordinance, to sell and deliver alcohol for off-premises consumption as long as they follow the appropriate social-distancing guidelines. (*Id.*)

33. Attached as Exhibit 8 is a document issued by the Chicago Department of Business Affairs and Consumer Protection ("BACP").

34. The BACP guidance provided that holders of a license for consumption on premises-incidental activity as well as holders of a tavern liquor license can sell and deliver incidental packaged goods liquor. (*Id.*)

35. Attached as Exhibit 9 is a copy of "A Message from Mayor Gina Cunningham" of the Village of Woodridge posted on March 19, 2020. Available at <https://www.vil.woodridge.il.us/ArchiveCenter/ViewFile/Item/2221> (last visited June 9, 2020).

36. The Village of Woodridge issued a temporary amendment to the Village Liquor Code allowing restaurants (with A-1 and A-3 licenses) to sell packaged beer and wine for off-premise consumption with to-go food orders. (Ex. 9.)

37. Attached as Exhibit 10 is a copy of the document "Restore Illinois: A Public Health Approach to Safely Reopen Our State," issued by the Office of Governor JB Pritzker on May 5, 2020.

38. The timetable for fully reopening Plaintiffs' businesses is tied to the percentage of positive COVID-19 cases, the rate of hospital admissions for COVID-19 like illnesses, and the available capacity of ICU beds and ventilators. (Ex. 10.)

### **The Society Policies**

39. Society and Buttermilk Geneva Policy entered into a Businessowners insurance contract with policy number BP18043694-1 for the policy period of January 28, 2020 to January 28, 2021. (Compl. at ¶ 16.) A copy of this policy is attached as Exhibit D to Plaintiffs' Complaint.

40. Society and Buttermilk Vernon Hills entered into a Businessowners insurance contract with policy number. BP19030075-0 for the policy period of August 15, 2019 to August 15, 2020. (*Id.* at ¶ 17.) A copy of this policy is attached as Exhibit E to Plaintiffs' Complaint.

41. Society and Buttermilk Naperville entered into a Businessowners insurance contract with policy number BP18044835-3 for the policy period of December 28, 2019 to December 28, 2020. (*Id.* at ¶ 18.) A copy of this policy is attached as Exhibit F to Plaintiffs' Complaint.

42. Society and Hollywood Boulevard Cinema entered into a Businessowners insurance contract with policy number BP15029440-4 for the policy period of November 1, 2019 to November 1, 2020. (*Id.* at ¶ 19.) A copy of this policy is attached as Exhibit G to Plaintiffs' Complaint.

43. Each of the insurance contracts entered into between Society and Plaintiffs contained the Businessowners Special Property Coverage Form TBP2 (05-15) ("the Special Property Coverage Form"). (*Id.* at ¶ 3, Exs. D-G.)

44. A copy of the Special Property Coverage Form is attached hereto as Exhibit 11.

45. Plaintiffs claim they are entitled to coverage under the Business Income, Extra Expenses, Civil Authority, and Contamination additional coverage parts in the Special Property Coverage Form of the Society Policies. (*Id.* at ¶¶ 20, 25-28.)

46. Part A of the Special Property Coverage Form is the section that provides and defines the coverage available.

Part A provides, in part:

**A. Coverage**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

**1. Covered Property**

Covered Property includes Buildings as described under Paragraph **a.** below, Business Personal Property as described under Paragraph **b.** below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. . . .

**a. Buildings**, meaning the buildings and structures at the premises described in the Declarations . . .

**b. Business Personal Property** located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of described premises, including: . . .

(Ex. 11 at p.1, ¶ A.1)

47. The term Covered Cause of Loss is defined in Section 3 of Part A and states:

**3. Covered Causes Of Loss**

Direct Physical Loss unless the loss is excluded or limited under this coverage form.

(*Id.* at p.2, ¶ A.3.)

48. The Business Income additional coverage of the Special Property Coverage Form provides, in part:

**5. Additional Coverages**

**g. Business Income**

**(1) Business Income**

**(a)** We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your “operations” during the “period of

restoration.” The suspension must be caused by a direct physical loss of or damage to covered property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. . . .

- (b) We will only pay for loss of Business Income that you sustain during the “period of restoration” and that occurs within 12 consecutive months after the date of direct physical loss or damage.

\* \* \* \*

(*Id.* at p. 5, ¶ A.5.g.)

49. “Period of Restoration” refers to the period of time that:

- a. Begins immediately after the time of direct physical loss or damage for Business Income or Extra Expense coverage caused by or resulting from any covered Cause of Loss at the described premises; and
- b. Ends on the earlier of:
  - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - (2) The date when business is resumed at a new permanent location.

(*Id.* at p. 31, ¶ H.12.)

50. The additional coverage for Extra Expense provides, in part:

- (1) We will pay necessary Extra Expense you incur during the “period of restoration” that you would not have incurred if there had been no direct physical loss or damage to covered property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. . . .

(*Id.* at p. 6, ¶ A.5.h.)

51. The Civil Authority additional coverage provides, in part:

**k. Civil Authority**

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits

access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within the area; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

(*Id.* at p. 7, ¶ A.5.k.)

52. The Contamination additional coverage provides, in part:

If your “operations” are suspended due to “contamination”:

\* \* \*

(2) We will also pay for the actual loss of Business Income and Extra Expense you sustain caused by:

- (a) “Contamination” that results in an action by a public health or other governmental authority that prohibits access to the described premises or production of your product.
- (b) “Contamination threat”
- (c) “Publicity” resulting from the discovery or suspicion of contamination.

\* \* \*

(4) Additional Definitions:

- (a) “Contamination” means a defect, deficiency, inadequacy or dangerous conditions in your products, merchandise, or premises.
- (b) “Contamination threat” means a threat made by a third party against you to commit a “malicious contamination” unless the third party’s demand for money or other consideration is met.



(c) “Malicious contamination” means an intentional, malicious and illegal altercation or adulteration of your products

(d) “Publicity” means a publication or broadcast by the media, of the discovery or suspicion of “contamination” at a described premise.

(*Id.* at p. 8, ¶ A.5.m.)

**All Three Buttermilk Restaurants Are Open**

53. Attached as Exhibit 12 is an image captured from [www.buttermilkrestaurants.com](http://www.buttermilkrestaurants.com) that accurately reflects the homepage of that website on May 18, 2020.

54. As of May 18, 2020, the Buttermilk Vernon Hills location is open and fulfilling orders for takeout and delivery. (Ex. 12.)

55. Buttermilk Geneva has been open since at least the date of Plaintiffs’ Complaint, April 23, 2020, and fulfilling orders for takeout and delivery. (Compl. at ¶ 1, Ex. 12.)

56. Buttermilk Naperville has been open since at least the date of Plaintiffs’ Complaint, April 23, 2020, and fulfilling orders for takeout and delivery. (Compl. at ¶ 1, Ex. 12.)

Date: June 9, 2020

Respectfully submitted,

Society Insurance

By: /s/ Thomas B. Underwood  
Counsel for Defendant

Thomas B. Underwood (#3122933)  
Michael D. Sanders (#6230187)  
Michelle A. Miner (#6299524)  
Amy E. Frantz (#6312526)  
PURCELL & WARDROPE, CHTD.  
10 South LaSalle Street, Suite 1200  
Chicago, IL 60603  
(312) 427-3900  
(312) 427-3944 (facsimile)  
tbu@pw-law.com  
msanders@pw-law.com  
mminer@pw-law.com  
afrantz@pw-law.com

# GUIDANCE FOR CLEANING AND DISINFECTING

## PUBLIC SPACES, WORKPLACES, BUSINESSES, SCHOOLS, AND HOMES



SCAN HERE  
FOR MORE  
INFORMATION

This guidance is intended for all Americans, whether you own a business, run a school, or want to ensure the cleanliness and safety of your home. Reopening America requires all of us to move forward together by practicing social distancing and other [daily habits](#) to reduce our risk of exposure to the virus that causes COVID-19. Reopening the country also strongly relies on public health strategies, including increased testing of people for the virus, social distancing, isolation, and keeping track of how someone infected might have infected other people. This plan is part of the larger [United States Government plan](#) and focuses on cleaning and disinfecting public spaces, workplaces, businesses, schools, and can also be applied to your home.

### **Cleaning and disinfecting public spaces including your workplace, school, home, and business will require you to:**

- Develop your plan
- Implement your plan
- Maintain and revise your plan

Reducing the risk of exposure to COVID-19 by cleaning and disinfection is an important part of reopening public spaces that will require careful planning. Every American has been called upon to slow the spread of the virus through social distancing and prevention hygiene, such as frequently washing your hands and wearing face coverings. Everyone also has a role in making sure our communities are as safe as possible to reopen and remain open.

The virus that causes COVID-19 can be killed if you use the right products. EPA has compiled a list of disinfectant products that can be used against COVID-19, including ready-to-use sprays, concentrates, and wipes. Each product has been shown to be effective against viruses that are harder to kill than viruses like the one that causes COVID-19.

For more information, please visit **CORONAVIRUS.GOV**



EXHIBIT 1

**GUIDANCE FOR CLEANING AND DISINFECTING PUBLIC SPACES, WORKPLACES, BUSINESSES, SCHOOLS, AND HOMES**

---

This document provides a general framework for cleaning and disinfection practices. The framework is based on doing the following:

1. Normal routine cleaning with soap and water will decrease how much of the virus is on surfaces and objects, which reduces the risk of exposure.
2. Disinfection using [EPA-approved disinfectants against COVID-19](#) can also help reduce the risk. Frequent disinfection of surfaces and objects touched by multiple people is important.
3. When [EPA-approved disinfectants](#) are not available, alternative disinfectants can be used (for example, 1/3 cup of bleach added to 1 gallon of water, or 70% alcohol solutions). Do not mix bleach or other cleaning and disinfection products together--this can cause fumes that may be very dangerous to breathe in. Keep all disinfectants out of the reach of children.

Links to specific recommendations for many public spaces that use this framework, can be found at the end of this document.

***It's important to continue to follow federal, state, tribal, territorial, and local guidance for reopening America.***

### **A Few Important Reminders about Coronaviruses and Reducing the Risk of Exposure:**

- Coronaviruses on surfaces and objects naturally die within hours to days. Warmer temperatures and exposure to sunlight will reduce the time the virus survives on surfaces and objects.
- Normal routine cleaning with soap and water removes germs and dirt from surfaces. It lowers the risk of spreading COVID-19 infection.
- Disinfectants kill germs on surfaces. By killing germs on a surface after cleaning, you can further lower the risk of spreading infection. [EPA-approved disinfectants](#) are an important part of reducing the risk of exposure to COVID-19. If disinfectants on this list are in short supply, alternative disinfectants can be used (for example, 1/3 cup of bleach added to 1 gallon of water, or 70% alcohol solutions).
- Store and use disinfectants in a responsible and appropriate manner according to the label. Do not mix bleach or other cleaning and disinfection products together--this can cause fumes that may be very dangerous to breathe in. Keep all disinfectants out of the reach of children.
- Do not overuse or stockpile disinfectants or other supplies. This can result in shortages of appropriate products for others to use in critical situations.
- Always wear gloves appropriate for the chemicals being used when you are cleaning and disinfecting. Additional personal protective equipment (PPE) may be needed based on setting and product. For more information, see [CDC's website on Cleaning and Disinfection for Community Facilities](#).
- Practice social distancing, wear facial coverings, and follow proper prevention hygiene, such as washing your hands frequently and using alcohol-based (at least 60% alcohol) hand sanitizer when soap and water are not available.

If you oversee staff in a workplace, your plan should include considerations about the safety of custodial staff and other people who are carrying out the cleaning or disinfecting. These people are at increased risk of being exposed to the virus and to any toxic effects of the cleaning chemicals. These staff should wear appropriate PPE for cleaning and disinfecting. To protect your staff and to ensure that the products are used effectively, staff should be instructed on how to apply the disinfectants according to the label. For more information on concerns related to cleaning staff, visit the Occupational Safety and Health Administration's website on [Control and Prevention](#).

## DEVELOP YOUR PLAN

Evaluate your workplace, school, home, or business to determine what kinds of surfaces and materials make up that area. Most surfaces and objects will just need normal routine cleaning. Frequently touched surfaces and objects like light switches and doorknobs will need to be cleaned and then disinfected to further reduce the risk of germs on surfaces and objects.

- First, clean the surface or object with soap and water.
- Then, disinfect using an [EPA-approved disinfectant](#).
- If an EPA-approved disinfectant is unavailable, you can use 1/3 cup of bleach added to 1 gallon of water, or 70% alcohol solutions to disinfect. Do not mix bleach or other cleaning and disinfection products together. Find additional information at [CDC's website on Cleaning and Disinfecting Your Facility](#).

You should also consider what items can be moved or removed completely to reduce frequent handling or contact from multiple people. Soft and porous materials, such as area rugs and seating, may be removed or stored to reduce the challenges with cleaning and disinfecting them. Find additional reopening guidance for cleaning and disinfecting in the [Reopening Decision Tool](#).

It is critical that your plan includes how to maintain a cleaning and disinfecting strategy after reopening. Develop a flexible plan with your staff or family, adjusting the plan as federal, state, tribal, territorial, or local guidance is updated and if your specific circumstances change.

### Determine what needs to be cleaned

Some surfaces only need to be cleaned with soap and water. For example, surfaces and objects that are not frequently touched should be cleaned and do not require additional disinfection. Additionally, disinfectants should typically not be applied on items used by children, especially any items that children might put in their mouths. Many disinfectants are toxic when swallowed. In a household setting, cleaning toys and other items used by children with soap and water is usually sufficient. Find more information on cleaning and disinfection toys and other surfaces in the childcare program setting at [CDC's Guidance for Childcare Programs that Remain Open](#).

These questions will help you decide which surfaces and objects will need normal routine cleaning.

#### Is the area outdoors?

Outdoor areas generally require normal routine cleaning and do not require disinfection. Spraying disinfectant on sidewalks and in parks is not an efficient use of disinfectant supplies and has not been proven to reduce the risk of COVID-19 to the public. You should maintain existing cleaning and hygiene practices for outdoor areas.

The targeted use of disinfectants can be done effectively, efficiently and safely on outdoor hard surfaces and objects frequently touched by multiple people. Certain outdoor areas and facilities, such as bars and restaurants, may have additional requirements. More information can be found on CDC's website on [Food Safety and the Coronavirus Disease 2019 \(COVID-19\)](#).

There is no evidence that the virus that causes COVID-19 can spread directly to humans from water in pools, hot tubs or spas, or water play areas. Proper operation, maintenance, and disinfection (for example, with chlorine or bromine) of pools, hot tubs or spas, and water playgrounds should kill the virus that causes COVID-19. However, there are additional concerns with outdoor areas that may be maintained less frequently, including playgrounds, or other facilities located within local, state, or national parks. For more information, visit CDC's website on [Visiting Parks & Recreational Facilities](#).

**Has the area been unoccupied for the last 7 days?**

If your workplace, school, or business has been unoccupied for 7 days or more, it will only need your normal routine cleaning to reopen the area. This is because the virus that causes COVID-19 has not been shown to survive on surfaces longer than this time.

There are many public health considerations, not just COVID-19 related, when reopening public buildings and spaces that have been closed for extended periods. For example, take measures to ensure the [safety of your building water system](#). It is not necessary to clean ventilation systems, other than routine maintenance, as part of reducing risk of coronaviruses. For healthcare facilities, additional guidance is provided on [CDC's Guidelines for Environmental Infection Control in Health-Care Facilities](#).

**Determine what needs to be disinfected**

Following your normal routine cleaning, you can disinfect frequently touched surfaces and objects using a product from [EPA's list of approved products that are effective against COVID-19](#).

These questions will help you choose appropriate disinfectants.

**Are you cleaning or disinfecting a hard and non-porous material or item like glass, metal, or plastic?**

Consult [EPA's list of approved products for use against COVID-19](#). This list will help you determine the most appropriate disinfectant for the surface or object. You can use diluted household bleach solutions if appropriate for the surface. Pay special attention to the personal protective equipment (PPE) that may be needed to safely apply the disinfectant and the manufacturer's recommendations concerning any additional hazards. Keep all disinfectants out of the reach of children. Please visit CDC's website on [How to Clean and Disinfect](#) for additional details and warnings.

Examples of frequently touched surfaces and objects that will need routine disinfection following reopening are:

- tables,
- doorknobs,
- light switches,
- countertops,
- handles,
- desks,
- phones,
- keyboards,
- toilets,
- faucets and sinks,
- gas pump handles,
- touch screens, and
- ATM machines.

Each business or facility will have different surfaces and objects that are frequently touched by multiple people. Appropriately disinfect these surfaces and objects. For example, transit stations have [specific guidance](#) for application of cleaning and disinfection.

**Are you cleaning or disinfecting a soft and porous material or items like carpet, rugs, or seating in areas?**

Soft and porous materials are generally not as easy to disinfect as hard and non-porous surfaces. [EPA has listed a limited number of products approved for disinfection for use on soft and porous materials](#). Soft and porous materials that are not frequently touched should only be cleaned or laundered, following the directions on the item's label, using the warmest appropriate water setting. Find more information on [CDC's website on Cleaning and Disinfecting Your Facility](#) for developing strategies for dealing with soft and porous materials.

## Consider the resources and equipment needed

Keep in mind the availability of cleaning and disinfection products and appropriate PPE. Always wear gloves appropriate for the chemicals being used for routine cleaning and disinfecting. Follow the directions on the disinfectant label for additional PPE needs. In specific instances, personnel with specialized training and equipment may be required to apply certain disinfectants such as fumigants or fogs. For more information on appropriate PPE for cleaning and disinfection, see [CDC's website on Cleaning and Disinfection for Community Facilities](#).

## IMPLEMENT YOUR PLAN

Once you have a plan, it's time to take action. Read all manufacturer's instructions for the cleaning and disinfection products you will use. Put on your gloves and other required personal protective equipment (PPE) to begin the process of cleaning and disinfecting.

### Clean visibly dirty surfaces with soap and water

Clean surfaces and objects using soap and water prior to disinfection. Always wear gloves appropriate for the chemicals being used for routine cleaning and disinfecting. Follow the directions on the disinfectant label for additional PPE needs. When you finish cleaning, remember to wash hands thoroughly with soap and water.

Clean or launder soft and porous materials like seating in an office or coffee shop, area rugs, and carpets. Launder items according to the manufacturer's instructions, using the warmest temperature setting possible and dry items completely.

### Use the appropriate cleaning or disinfectant product

[EPA approved disinfectants](#), when applied according to the manufacturer's label, are effective for use against COVID-19. Follow the instructions on the label for all cleaning and disinfection products for concentration, dilution, application method, contact time and any other special considerations when applying.

### Always follow the directions on the label

Follow the instructions on the label to ensure safe and effective use of the product. Many product labels recommend keeping the surface wet for a specific amount of time. The label will also list precautions such as wearing gloves and making sure you have good ventilation during use of the product. Keep all disinfectants out of the reach of children.

## MAINTAIN AND REVISE YOUR PLAN

Take steps to reduce your risk of exposure to the virus that causes COVID-19 during daily activities. [CDC provides tips](#) to reduce your exposure and risk of acquiring COVID-19. Reducing exposure to yourself and others is a shared responsibility. Continue to update your plan based on updated guidance and your current circumstances.

### Continue routine cleaning and disinfecting

Routine cleaning and disinfecting are an important part of reducing the risk of exposure to COVID-19. Normal routine cleaning with soap and water alone can reduce risk of exposure and is a necessary step before you disinfect dirty surfaces.

**GUIDANCE FOR CLEANING AND DISINFECTING PUBLIC SPACES, WORKPLACES, BUSINESSES, SCHOOLS, AND HOMES**

---

Surfaces frequently touched by multiple people, such as door handles, desks, phones, light switches, and faucets, should be cleaned and disinfected at least daily. More frequent cleaning and disinfection may be required based on level of use. For example, certain surfaces and objects in public spaces, such as shopping carts and point of sale keypads, should be cleaned and disinfected before each use.

Consider choosing a different disinfectant if your first choice is in short supply. Make sure there is enough supply of gloves and appropriate personal protective equipment (PPE) based on the label, the amount of product you will need to apply, and the size of the surface you are treating.

**Maintain safe behavioral practices**

We have all had to make significant behavioral changes to reduce the spread of COVID-19. To reopen America, we will need to continue these practices:

- social distancing (specifically, staying 6 feet away from others when you must go into a shared space)
- frequently washing hands or use alcohol-based (at least 60% alcohol) hand sanitizer when soap and water are not available
- wearing cloth face coverings
- avoiding touching eyes, nose, and mouth
- staying home when sick
- cleaning and disinfecting frequently touched objects and surfaces

It's important to continue to follow federal, state, tribal, territorial, and local guidance for reopening America. Check this resource for [updates on COVID-19](#). This will help you change your plan when situations are updated.

**Consider practices that reduce the potential for exposure**

It is also essential to change the ways we use public spaces to work, live, and play. We should continue thinking about our safety and the safety of others.

To reduce your exposure to or the risk of spreading COVID-19 after reopening your business or facility, consider whether you need to touch certain surfaces or materials. Consider wiping public surfaces before and after you touch them. These types of behavioral adjustments can help reduce the spread of COVID-19. There are other resources for more information on [COVID-19](#) and how to [Prevent Getting Sick](#).

Another way to reduce the risk of exposure is to make long-term changes to practices and procedures. These could include reducing the use of porous materials used for seating, leaving some doors open to reduce touching by multiple people, opening windows to improve ventilation, or removing objects in your common areas, like coffee creamer containers. There are many other steps that businesses and institutions can put into place to help reduce the spread of COVID-19 and protect their staff and the public. More information can be found at [CDC's Implementation of Mitigation Strategies for Communities with Local COVID-19 Transmission](#).



## CONCLUSION

Reopening America requires all of us to move forward together using recommended best practices and maintaining safe daily habits in order to reduce our risk of exposure to COVID-19. Remember: We're all in this together!

### Additional resources with more specific recommendations.

<b>HEALTHCARE SETTINGS</b>	<b>Long-term Care Facilities, Nursing Homes</b>	<a href="#">Infection Control in Healthcare Settings</a>
		<a href="#">Using Personal Protective Equipment</a>
		<a href="#">Hand Hygiene</a>
		<a href="#">Interim Guidance for Infection Prevention</a>
		<a href="#">Preparedness Checklist</a>
		<a href="#">Things Facilities Should Do Now to Prepare for COVID-19</a>
		<a href="#">When there are Cases in the Facility</a>
	<b>Dialysis Facilities</b>	<a href="#">Infection Control in Healthcare Settings</a>
		<a href="#">Using Personal Protective Equipment</a>
		<a href="#">Hand Hygiene</a>
		<a href="#">Interim guidance for Outpatient Hemodialysis Facilities</a>
		<a href="#">Patient Screening</a>
	<b>Blood and Plasma Facilities</b>	<a href="#">Infection control in Healthcare Settings</a>
		<a href="#">Infection Control and Environmental Management</a>
		<a href="#">Using Personal Protective Equipment</a>
		<a href="#">Hand Hygiene</a>
		<a href="#">Interim Guidance for Blood and Plasma Collection Facilities</a>
	<b>Alternate Care Sites</b>	<a href="#">Infection Prevention and Control</a>
	<b>Dental Settings</b>	<a href="#">Infection Control in Healthcare Settings</a>
		<a href="#">Using Personal Protective Equipment</a>
		<a href="#">Hand Hygiene</a>
		<a href="#">Interim Guidance for Dental Settings</a>
	<b>Pharmacies</b>	<a href="#">Infection Control in Healthcare Settings</a>
		<a href="#">Using Personal Protective Equipment</a>
		<a href="#">Hand Hygiene</a>
		<a href="#">Interim Guidance for Pharmacies</a>
		<a href="#">Risk-Reduction During Close-Contact Services</a>
	<b>Outpatient and ambulatory care facilities</b>	<a href="#">Infection Control in Healthcare Settings</a>
		<a href="#">Using Personal Protective Equipment</a>
		<a href="#">Hand Hygiene</a>
		<a href="#">Interim Guidance for Outpatient &amp; Ambulatory Care Settings</a>
	<b>Postmortem Care</b>	<a href="#">Using Personal Protective Equipment</a>
		<a href="#">Hand Hygiene</a>
		<a href="#">Collection and Submission of Postmortem Samples</a>
		<a href="#">Cleaning and Waste Disposal</a>
		<a href="#">Transportation of Human Remains</a>

## GUIDANCE FOR CLEANING AND DISINFECTING PUBLIC SPACES, WORKPLACES, BUSINESSES, SCHOOLS, AND HOMES

<b>COMMUNITY LOCATIONS</b>	<b>Critical Infrastructure Employees</b>	<a href="#">Interim Guidance for Critical Infrastructure Employees</a>
		<a href="#">Cleaning and Disinfecting your Facility</a>
	<b>Schools and childcare programs</b>	<a href="#">K-12 and Childcare Interim Guidance</a>
		<a href="#">Cleaning and Disinfecting your Facility</a>
		<a href="#">FAQ for Administrators</a>
		<a href="#">Parent and Teacher Checklist</a>
	<b>Colleges and universities</b>	<a href="#">Interim Guidance for Colleges &amp; Universities</a>
		<a href="#">Cleaning and Disinfecting your Facility</a>
		<a href="#">Guidance for Student Foreign Travel</a>
		<a href="#">FAQ for Administrators</a>
	<b>Gatherings and community events</b>	<a href="#">Interim Guidance for Mass Gatherings and Events</a>
		<a href="#">Election Polling Location Guidance</a>
		<a href="#">Events FAQ</a>
	<b>Community- and faith-based organizations</b>	<a href="#">Interim Guidance for Organizations</a>
		<a href="#">Cleaning and Disinfecting your Facility</a>
	<b>Businesses</b>	<a href="#">Interim Guidance for Businesses</a>
	<b>Parks &amp; Rec Facilities</b>	<a href="#">Guidance for Administrators of Parks</a>
	<b>Law Enforcement</b>	<a href="#">What Law Enforcement Personnel Need to Know about COVID-19</a>
	<b>Homeless Service Providers</b>	<a href="#">Interim Guidance for Homeless Service Providers</a>
	<b>Retirement Homes</b>	<a href="#">Interim Guidance for Retirement Communities</a>
		<a href="#">FAQ for Administrators</a>
	<b>Correction &amp; Detention Facilities</b>	<a href="#">Interim Guidance for Correction &amp; Detention Facilities</a>
		<a href="#">FAQ for Administrators</a>
<b>HOME SETTING</b>	<b>Preventing Getting Sick</b>	<a href="#">How to Protect Yourself and Others</a>
		<a href="#">How to Safely Sterilize/Clean a Cloth Face Covering</a>
		<a href="#">Cleaning and Disinfecting your Home</a>
		<a href="#">Tribal - How to Prevent the Spread of Coronavirus (COVID-19) in Your Home</a>
		<a href="#">Tribal - How to Care for Yourself at Home During Covid-19</a>
	<b>Running Errands</b>	<a href="#">Shopping for Food and Other Essential Items</a>
		<a href="#">Accepting Deliveries and Takeout</a>
		<a href="#">Banking</a>
		<a href="#">Getting Gasoline</a>
		<a href="#">Going to the Doctor and Pharmacy</a>
	<b>If you are sick</b>	<a href="#">Steps to Help Prevent the Spread of COVID19 if You are Sick</a>

GUIDANCE FOR CLEANING AND DISINFECTING PUBLIC SPACES, WORKPLACES, BUSINESSES, SCHOOLS, AND HOMES

---

<b>TRANSPORTATION</b>	<b>Ships</b>	<a href="#">Interim Guidance for Ships on Managing Suspected COVID-19</a>
	<b>Airlines</b>	<a href="#">Cleaning Aircraft Carriers</a>
		<a href="#">Airline Agents Interim Guidance</a>
	<b>Buses</b>	<a href="#">Bus Transit Operator</a>
	<b>Rail</b>	<a href="#">Rail Transit Operators</a>
		<a href="#">Transit Station Workers</a>
	<b>EMS Transport Vehicles</b>	<a href="#">Interim Guidance for EMS</a>
	<b>Taxis and Rideshares</b>	<a href="#">Keeping Commercial Establishments Safe</a>
<b>RESTAURANTS &amp; BARS</b>		<a href="#">Best Practices from FDA</a>



FILED  
INDEX DEPARTMENT  
MAR 16 2020  
IN THE OFFICE OF  
SECRETARY OF STATE

March 16, 2020

Executive Order 2020 – 07

**EXECUTIVE ORDER IN RESPONSE TO COVID-19**  
**(COVID-19 EXECUTIVE ORDER NO. 5)**

**WHEREAS**, in late 2019, a new and significant outbreak of Coronavirus Disease 2019 (COVID-19) emerged; and,

**WHEREAS**, COVID-19 is a novel severe acute respiratory illness that can spread among people through respiratory transmissions and present with symptoms similar to those of influenza; and,

**WHEREAS**, certain populations are at higher risk of experiencing more severe illness as a result of COVID-19, including older adults and people who have serious chronic medical conditions such as heart disease, diabetes, or lung disease; and,

**WHEREAS**, despite efforts to contain COVID-19, the World Health Organization and the Centers for Disease Control (CDC) indicate that it is expected to spread; and,

**WHEREAS**, in communities with confirmed COVID-19 cases, the CDC currently recommends mitigation measures, including practicing social distancing, staying at home when sick, staying home when a household member is sick with respiratory disease symptoms or when instructed to do so by public health officials or a health care provider, and keeping away from others who are sick; and,

**WHEREAS**, the CDC currently recommends the cancellation or postponement of in-person events that consist of 50 people or more; and,

**WHEREAS**, social distancing, which consists of maintain at least a six-foot distance between people, is the paramount strategy for minimizing the spread of COVID-19 in our communities; and,

**WHEREAS**, the Illinois Department of Public Health recommends Illinois residents avoid group dining in public settings, such as in bars and restaurants, which usually involves prolonged close social contact contrary to recommended practice for social distancing; and,

**WHEREAS**, frequently used surfaces in public settings, including bars and restaurants, if not cleaned and disinfected frequently and properly, also pose a risk of exposure; and,

**WHEREAS**, current testing availability has identified further spread of confirmed cases throughout the State of Illinois, and it is expected that increased testing capacity would demonstrate that COVID-19 is circulating in communities across Illinois that currently have not identified a confirmed case; and,

**WHEREAS**, the number of suspected COVID-19 cases in Illinois is increasing exponentially and across more locations in Illinois, indicating that drastic social distancing measures are needed, even in communities where confirmed cases have not yet been identified, to reduce the number of people who become sick at any given time and the possibility of exhausting our health care resources; and,

**WHEREAS**, the ongoing spread of COVID-19 and the danger the virus poses to the public's health and wellness require the reduction of on-premises consumption of food and beverages; and

**WHEREAS**, State agencies have been directed to temporarily reduce activities and workforce to core mission functions and essential operations, encouraging working remotely where possible; and,

**WHEREAS**, the Liquor Control Act of 1934, 235 ILCS 5, "shall be liberally construed, to the end that the health, safety, and welfare of the People of the State of Illinois shall be protected"; and,

**WHEREAS**, I, JB Pritzker, Governor of Illinois, declared all counties in the State of Illinois as a disaster area on March 9, 2020 ("Gubernatorial Disaster Proclamation"); and,

**WHEREAS**, on March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic; and,

**WHEREAS**, it is necessary and appropriate for the State of Illinois to immediately take measures to protect the public's health in response to this COVID-19 outbreak;

**THEREFORE**, by the powers vested in me as the Governor of the State of Illinois, and pursuant to Sections 7(1), 7(2), 7(3), and 7(8) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, I hereby order the following:

Section 1. Beginning March 16, 2020 at 9 p.m. through March 30, 2020, all businesses in the State of Illinois that offer food or beverages for on-premises consumption—including restaurants, bars, grocery stores, and food halls—must suspend service for and may not permit on-premises consumption. Such businesses are permitted and encouraged to serve food and beverages so that they may be consumed off-premises, as currently permitted by law, through means such as in-house delivery, third-party delivery, drive-through, and curbside pick-up. In addition, customers may enter the premises to purchase food or beverages for carry-out. However, establishments offering food or beverages for carry-out, including food trucks, must ensure that they have an environment where patrons maintain adequate social distancing. Businesses located in airports, hospitals, and dining halls in colleges and universities are exempt from the requirements of this Executive Order. Hotel restaurants may continue to provide room service and carry-out. Catering services may continue.

Section 2. Beginning March 18, 2020, all public and private gatherings in the State of Illinois of 50 people or more are prohibited for the duration of the Gubernatorial Disaster Proclamation. A public or private gathering includes community, civic, public leisure, faith-based events, sporting events with spectators, concerts, conventions, and any similar event or activity that brings together 50 or more people in a single room or a single space at the same time. This includes venues such as fitness centers/health clubs, bowling alleys, private clubs, and theatres. This does not include venues that provide essential goods or services such as grocery stores, hospitals, pharmacies, gas stations, banks/credit unions, and shelters. This order amends Section 1 of EO 2020-04, which prohibited gatherings of 1,000 people or more.

**FILED**  
INDEX DEPARTMENT  
MAR 16 2020  
IN THE OFFICE OF  
SECRETARY OF STATE

Section 3. Pursuant to Sections 7(2) and 7(3) of the Illinois Emergency Management Act, the Illinois State Police, the Illinois Department of Public Health, the State Fire Marshal, and the Illinois Liquor Control Commission are directed to cooperate with one another and to use available resources to enforce the provisions of this Executive Order with respect to entities under their jurisdiction under Illinois law.

Section 4. Nothing in this Executive Order shall amend or supersede the authority of the Illinois Department of Public Health pursuant to Section 2310-15 of the Department of Public Health Powers and Duties Law, 20 ILCS 2310/2310-15.

Section 5. During the duration of the Gubernatorial Disaster Proclamation, the provision of the Unemployment Insurance Act, 820 ILCS 405/500(D), requiring a one-week waiting period for unemployment insurance claims is suspended for claimants who are unemployed and who are otherwise eligible for unemployment insurance benefits.

Section 6. During the duration of the Gubernatorial Disaster Proclamation, the provisions of the Open Meetings Act, 5 ILCS 120, requiring or relating to in-person attendance by members of a public body are suspended. Specifically, (1) the requirement in 5 ILCS 120/2.01 that "members of a public body must be physically present" is suspended; and (2) the conditions in 5 ILCS 120/7 limiting when remote participation is permitted are suspended. Public bodies are encouraged to postpone consideration of public business where possible. When a meeting is necessary, public bodies are encouraged to provide video, audio, and/or telephonic access to meetings to ensure members of the public may monitor the meeting, and to update their websites and social media feeds to keep the public fully apprised of any modifications to their meeting schedules or the format of their meetings due to COVID-19, as well their activities relating to COVID-19.



---

JB Pritzker, Governor

Issued by the Governor March 16, 2020  
Filed by the Secretary of State March 16, 2020

**FILED**  
INDEX DEPARTMENT  
MAR 16 2020  
IN THE OFFICE OF  
SECRETARY OF STATE





March 20, 2020

Executive Order 2020-10

**EXECUTIVE ORDER IN RESPONSE TO COVID-19**  
**(COVID-19 EXECUTIVE ORDER NO. 8)**

**WHEREAS**, I, JB Pritzker, Governor of Illinois, declared all counties in the State of Illinois as a disaster area on March 9, 2020 (Gubernatorial Disaster Proclamation) in response to the outbreak of Coronavirus Disease 2019 (COVID-19); and,

**WHEREAS**, in a short period of time, COVID-19 has rapidly spread throughout Illinois, necessitating updated and more stringent guidance from federal, state, and local public health officials; and,

**WHEREAS**, for the preservation of public health and safety throughout the entire State of Illinois, and to ensure that our healthcare delivery system is capable of serving those who are sick, I find it necessary to take additional measures consistent with public health guidance to slow and stop the spread of COVID-19;

**WHEREAS**, COVID-19 has resulted in significant economic impact, including loss of income and wages, that threaten to undermine housing security and stability;

**WHEREAS**, the enforcement of eviction orders for residential premises is contrary to the interest of preserving public health and ensuring that individuals remain in their homes during this public health emergency;

**THEREFORE**, by the powers vested in me as the Governor of the State of Illinois, and pursuant to Sections 7(1), 7(2), 7(8), 7(10), and 7(12) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, and consistent with the powers in public health laws, I hereby order the following, effective March 21, 2020 at 5:00 pm and for the remainder of the duration of the Gubernatorial Disaster Proclamation, which currently extends through April 7, 2020:

**Section 1. Stay at Home; Social Distancing Requirements; and Essential Businesses and Operations**

1. **Stay at home or place of residence.** With exceptions as outlined below, all individuals currently living within the State of Illinois are ordered to stay at home or at their place of residence except as allowed in this Executive Order. To the extent individuals are using shared or outdoor spaces when outside their residence, they must at all times and as much as reasonably possible maintain social distancing of at least six feet from any other person, consistent with the Social Distancing Requirements set forth in this Executive Order. All persons may leave their homes or place of residence only for Essential Activities, Essential Governmental Functions, or to operate Essential Businesses and Operations, all as defined below.

Individuals experiencing homelessness are exempt from this directive, but are strongly urged to obtain shelter, and governmental and other entities are strongly urged to make

such shelter available as soon as possible and to the maximum extent practicable (and to use in their operation COVID-19 risk mitigation practices recommended by the U.S. Centers for Disease Control and Prevention (CDC) and the Illinois Department of Public Health (IDPH)). Individuals whose residences are unsafe or become unsafe, such as victims of domestic violence, are permitted and urged to leave their home and stay at a safe alternative location. For purposes of this Executive Order, homes or residences include hotels, motels, shared rental units, shelters, and similar facilities.

2. **Non-essential business and operations must cease.** All businesses and operations in the State, except Essential Businesses and Operations as defined below, are required to cease all activities within the State except Minimum Basic Operations, as defined below. For clarity, businesses may also continue operations consisting exclusively of employees or contractors performing activities at their own residences (i.e., working from home).

All Essential Businesses and Operations are encouraged to remain open. To the greatest extent feasible, Essential Businesses and Operations shall comply with Social Distancing Requirements as defined in this Executive Order, including by maintaining six-foot social distancing for both employees and members of the public at all times, including, but not limited to, when any customers are standing in line.

3. **Prohibited activities.** All public and private gatherings of any number of people occurring outside a single household or living unit are prohibited, except for the limited purposes permitted by this Executive Order. Pursuant to current guidance from the CDC, any gathering of more than ten people is prohibited unless exempted by this Executive Order. Nothing in this Executive Order prohibits the gathering of members of a household or residence.

All places of public amusement, whether indoors or outdoors, including but not limited to, locations with amusement rides, carnivals, amusement parks, water parks, aquariums, zoos, museums, arcades, fairs, children's play centers, playgrounds, funplexes, theme parks, bowling alleys, movie and other theaters, concert and music halls, and country clubs or social clubs shall be closed to the public.

This Executive Order supersedes Section 2 of Executive Order 2020-07 (COVID-19 Executive Order No. 5), which prohibited gatherings of 50 people or more.

4. **Prohibited and permitted travel.** All travel, including, but not limited to, travel by automobile, motorcycle, scooter, bicycle, train, plane, or public transit, except Essential Travel and Essential Activities as defined herein, is prohibited. People riding on public transit must comply with Social Distancing Requirements to the greatest extent feasible. This Executive Order allows travel into or out of the State to maintain Essential Businesses and Operations and Minimum Basic Operations.
5. **Leaving the home for essential activities is permitted.** For purposes of this Executive Order, individuals may leave their residence only to perform any of the following Essential Activities:
  - a. **For health and safety.** To engage in activities or perform tasks essential to their health and safety, or to the health and safety of their family or household members (including, but not limited to, pets), such as, by way of example only and without limitation, seeking emergency services, obtaining medical supplies or medication, or visiting a health care professional.
  - b. **For necessary supplies and services.** To obtain necessary services or supplies for themselves and their family or household members, or to deliver those services or supplies to others, such as, by way of example only and without limitation, groceries and food, household consumer products, supplies they need



to work from home, and products necessary to maintain the safety, sanitation, and essential operation of residences.

- c. **For outdoor activity.** To engage in outdoor activity, provided the individuals comply with Social Distancing Requirements, as defined below, such as, by way of example and without limitation, walking, hiking, running, or biking. Individuals may go to public parks and open outdoor recreation areas. However, playgrounds may increase spread of COVID-19, and therefore shall be closed.
  - d. **For certain types of work.** To perform work providing essential products and services at Essential Businesses or Operations (which, as defined below, includes Healthcare and Public Health Operations, Human Services Operations, Essential Governmental Functions, and Essential Infrastructure) or to otherwise carry out activities specifically permitted in this Executive Order, including Minimum Basic Operations.
  - e. **To take care of others.** To care for a family member, friend, or pet in another household, and to transport family members, friends, or pets as allowed by this Executive Order.
6. **Elderly people and those who are vulnerable as a result of illness should take additional precautions.** People at high risk of severe illness from COVID-19, including elderly people and those who are sick, are urged to stay in their residence to the extent possible except as necessary to seek medical care. Nothing in this Executive Order prevents the Illinois Department of Public Health or local public health departments from issuing and enforcing isolation and quarantine orders pursuant to the Department of Public Health Act, 20 ILCS 2305.
7. **Healthcare and Public Health Operations.** For purposes of this Executive Order, individuals may leave their residence to work for or obtain services through Healthcare and Public Health Operations.

Healthcare and Public Health Operations includes, but is not limited to: hospitals; clinics; dental offices; pharmacies; public health entities, including those that compile, model, analyze and communicate public health information; pharmaceutical, pharmacy, medical device and equipment, and biotechnology companies (including operations, research and development, manufacture, and supply chain); organizations collecting blood, platelets, plasma, and other necessary materials; licensed medical cannabis dispensaries and licensed cannabis cultivation centers; reproductive health care providers; eye care centers, including those that sell glasses and contact lenses; home healthcare services providers; mental health and substance use providers; other healthcare facilities and suppliers and providers of any related and/or ancillary healthcare services; and entities that transport and dispose of medical materials and remains.

Specifically included in Healthcare and Public Health Operations are manufacturers, technicians, logistics, and warehouse operators and distributors of medical equipment, personal protective equipment (PPE), medical gases, pharmaceuticals, blood and blood products, vaccines, testing materials, laboratory supplies, cleaning, sanitizing, disinfecting or sterilization supplies, and tissue and paper towel products.

Healthcare and Public Health Operations also includes veterinary care and all healthcare services provided to animals.

Healthcare and Public Health Operations shall be construed broadly to avoid any impacts to the delivery of healthcare, broadly defined. Healthcare and Public Health Operations does not include fitness and exercise gyms, spas, salons, barber shops, tattoo parlors, and similar facilities.

8. **Human Services Operations.** For purposes of this Executive Order, individuals may leave their residence to work for or obtain services at any Human Services Operations, including any provider funded by the Illinois Department of Human Services, Illinois Department of Children and Family Services, or Medicaid that is providing services to the public and including state-operated, institutional, or community-based settings providing human services to the public.

Human Services Operations includes, but is not limited to: long-term care facilities; all entities licensed pursuant to the Child Care Act, 225 ILCS 10, except for day care centers, day care homes, group day care homes, and day care centers licensed as specified in Section 12(s) of this Executive Order; residential settings and shelters for adults, seniors, children, and/or people with developmental disabilities, intellectual disabilities, substance use disorders, and/or mental illness; transitional facilities; home-based settings to provide services to individuals with physical, intellectual, and/or developmental disabilities, seniors, adults, and children; field offices that provide and help to determine eligibility for basic needs including food, cash assistance, medical coverage, child care, vocational services, rehabilitation services; developmental centers; adoption agencies; businesses that provide food, shelter, and social services, and other necessities of life for economically disadvantaged individuals, individuals with physical, intellectual, and/or developmental disabilities, or otherwise needy individuals.

Human Services Operations shall be construed broadly to avoid any impacts to the delivery of human services, broadly defined.

9. **Essential Infrastructure.** For purposes of this Executive Order, individuals may leave their residence to provide any services or perform any work necessary to offer, provision, operate, maintain and repair Essential Infrastructure.

Essential Infrastructure includes, but is not limited to: food production, distribution, and sale; construction (including, but not limited to, construction required in response to this public health emergency, hospital construction, construction of long-term care facilities, public works construction, and housing construction); building management and maintenance; airport operations; operation and maintenance of utilities, including water, sewer, and gas; electrical (including power generation, distribution, and production of raw materials); distribution centers; oil and biofuel refining; roads, highways, railroads, and public transportation; ports; cybersecurity operations; flood control; solid waste and recycling collection and removal; and internet, video, and telecommunications systems (including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and web-based services).

Essential Infrastructure shall be construed broadly to avoid any impacts to essential infrastructure, broadly defined.

10. **Essential Governmental Functions.** For purposes of this Executive Order, all first responders, emergency management personnel, emergency dispatchers, court personnel, law enforcement and corrections personnel, hazardous materials responders, child protection and child welfare personnel, housing and shelter personnel, military, and other governmental employees working for or to support Essential Businesses and Operations are categorically exempt from this Executive Order.

Essential Government Functions means all services provided by the State or any municipal, township, county, subdivision or agency of government and needed to ensure the continuing operation of the government agencies or to provide for or support the health, safety and welfare of the public, and including contractors performing Essential Government Functions. Each government body shall determine its Essential Governmental Functions and identify employees and/or contractors necessary to the performance of those functions.

This Executive Order does not apply to the United States government. Nothing in this Executive Order shall prohibit any individual from performing or accessing Essential Governmental Functions.

11. **Businesses covered by this Executive Order.** For the purposes of this Executive Order, covered businesses include any for-profit, non-profit, or educational entities, regardless of the nature of the service, the function it performs, or its corporate or entity structure.
12. **Essential Businesses and Operations.** For the purposes of this Executive Order, Essential Businesses and Operations means Healthcare and Public Health Operations, Human Services Operations, Essential Governmental Functions, and Essential Infrastructure, and the following:<sup>1</sup>
  - a. **Stores that sell groceries and medicine.** Grocery stores, pharmacies, certified farmers' markets, farm and produce stands, supermarkets, convenience stores, and other establishments engaged in the retail sale of groceries, canned food, dry goods, frozen foods, fresh fruits and vegetables, pet supplies, fresh meats, fish, and poultry, alcoholic and non-alcoholic beverages, and any other household consumer products (such as cleaning and personal care products). This includes stores that sell groceries, medicine, including medication not requiring a medical prescription, and also that sell other non-grocery products, and products necessary to maintaining the safety, sanitation, and essential operation of residences and Essential Businesses and Operations;
  - b. **Food, beverage, and cannabis production and agriculture.** Food and beverage manufacturing, production, processing, and cultivation, including farming, livestock, fishing, baking, and other production agriculture, including cultivation, marketing, production, and distribution of animals and goods for consumption; licensed medical and adult use cannabis dispensaries and licensed cannabis cultivation centers; and businesses that provide food, shelter, and other necessities of life for animals, including animal shelters, rescues, shelters, kennels, and adoption facilities;
  - c. **Organizations that provide charitable and social services.** Businesses and religious and secular nonprofit organizations, including food banks, when providing food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals, individuals who need assistance as a result of this emergency, and people with disabilities;
  - d. **Media.** Newspapers, television, radio, and other media services;
  - e. **Gas stations and businesses needed for transportation.** Gas stations and auto-supply, auto-repair, and related facilities and bicycle shops and related facilities;
  - f. **Financial institutions.** Banks, currency exchanges, consumer lenders, including but not limited, to payday lenders, pawnbrokers, consumer installment lenders and sales finance lenders, credit unions, appraisers, title companies, financial markets, trading and futures exchanges, affiliates of financial institutions, entities that issue bonds, related financial institutions, and institutions selling financial products;
  - g. **Hardware and supply stores.** Hardware stores and businesses that sell electrical, plumbing, and heating material;

---

<sup>1</sup> On March 19, 2020, the U.S. Department of Homeland Security, Cybersecurity & Infrastructure Security Agency, issued a *Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response*. The definition of Essential Businesses and Operations in this Order is meant to encompass the workers identified in that Memorandum.

- h. **Critical trades.** Building and Construction Tradesmen and Tradeswomen, and other trades including but not limited to plumbers, electricians, exterminators, cleaning and janitorial staff for commercial and governmental properties, security staff, operating engineers, HVAC, painting, moving and relocation services, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences, Essential Activities, and Essential Businesses and Operations;
- i. **Mail, post, shipping, logistics, delivery, and pick-up services.** Post offices and other businesses that provide shipping and delivery services, and businesses that ship or deliver groceries, food, alcoholic and non-alcoholic beverages, goods or services to end users or through commercial channels;
- j. **Educational institutions.** Educational institutions—including public and private pre-K-12 schools, colleges, and universities—for purposes of facilitating distance learning, performing critical research, or performing essential functions, provided that social distancing of six-feet per person is maintained to the greatest extent possible. This Executive Order is consistent with and does not amend or supersede Executive Order 2020-05 (COVID-19 Executive Order No. 3) or Executive Order 2020-06 (COVID-19 Executive Order No. 4) except that affected schools are ordered closed through April 7, 2020;
- k. **Laundry services.** Laundromats, dry cleaners, industrial laundry services, and laundry service providers;
- l. **Restaurants for consumption off-premises.** Restaurants and other facilities that prepare and serve food, but only for consumption off-premises, through such means as in-house delivery, third-party delivery, drive-through, curbside pick-up, and carry-out. Schools and other entities that typically provide food services to students or members of the public may continue to do so under this Executive Order on the condition that the food is provided to students or members of the public on a pick-up and takeaway basis only. Schools and other entities that provide food services under this exemption shall not permit the food to be eaten at the site where it is provided, or at any other gathering site due to the virus's propensity to physically impact surfaces and personal property. This Executive Order is consistent with and does not amend or supersede Section 1 of Executive Order 2020-07 (COVID-19 Executive Order No. 5) except that Section 1 is ordered to be extended through April 7, 2020;
- m. **Supplies to work from home.** Businesses that sell, manufacture, or supply products needed for people to work from home;
- n. **Supplies for Essential Businesses and Operations.** Businesses that sell, manufacture, or supply other Essential Businesses and Operations with the support or materials necessary to operate, including computers, audio and video electronics, household appliances; IT and telecommunication equipment; hardware, paint, flat glass; electrical, plumbing and heating material; sanitary equipment; personal hygiene products; food, food additives, ingredients and components; medical and orthopedic equipment; optics and photography equipment; diagnostics, food and beverages, chemicals, soaps and detergent; and firearm and ammunition suppliers and retailers for purposes of safety and security;
- o. **Transportation.** Airlines, taxis, transportation network providers (such as Uber and Lyft), vehicle rental services, paratransit, and other private, public, and commercial transportation and logistics providers necessary for Essential Activities and other purposes expressly authorized in this Executive Order;

- p. **Home-based care and services.** Home-based care for adults, seniors, children, and/or people with developmental disabilities, intellectual disabilities, substance use disorders, and/or mental illness, including caregivers such as nannies who may travel to the child's home to provide care, and other in-home services including meal delivery;
  - q. **Residential facilities and shelters.** Residential facilities and shelters for adults, seniors, children, and/or people with developmental disabilities, intellectual disabilities, substance use disorders, and/or mental illness;
  - r. **Professional services.** Professional services, such as legal services, accounting services, insurance services, real estate services (including appraisal and title services);
  - s. **Day care centers for employees exempted by this Executive Order.** Day care centers granted an emergency license pursuant to Title 89, Section 407.400 of the Illinois Administrative Code, governing Emergency Day Care Programs for children of employees exempted by this Executive Order to work as permitted. The licensing requirements for day care homes pursuant to Section 4 of the Child Care Act, 225 ILCS 10/4, are hereby suspended for family homes that receive up to 6 children for the duration of the Gubernatorial Disaster Proclamation.
  - t. **Manufacture, distribution, and supply chain for critical products and industries.** Manufacturing companies, distributors, and supply chain companies producing and supplying essential products and services in and for industries such as pharmaceutical, technology, biotechnology, healthcare, chemicals and sanitization, waste pickup and disposal, agriculture, food and beverage, transportation, energy, steel and steel products, petroleum and fuel, mining, construction, national defense, communications, as well as products used by other Essential Businesses and Operations.
  - u. **Critical labor union functions.** Labor Union essential activities including the administration of health and welfare funds and personnel checking on the well-being and safety of members providing services in Essential Businesses and Operations – provided that these checks should be done by telephone or remotely where possible.
  - v. **Hotels and motels.** Hotels and motels, to the extent used for lodging and delivery or carry-out food services.
  - w. **Funeral services.** Funeral, mortuary, cremation, burial, cemetery, and related services.
13. **Minimum Basic Operations.** For the purposes of this Executive Order, Minimum Basic Operations include the following, provided that employees comply with Social Distancing Requirements, to the extent possible, while carrying out such operations:
- a. The minimum necessary activities to maintain the value of the business's inventory, preserve the condition of the business's physical plant and equipment, ensure security, process payroll and employee benefits, or for related functions.
  - b. The minimum necessary activities to facilitate employees of the business being able to continue to work remotely from their residences.
14. **Essential Travel.** For the purposes of this Executive Order, Essential Travel includes travel for any of the following purposes. Individuals engaged in any Essential Travel must comply with all Social Distancing Requirements as defined in this Section.



- a. Any travel related to the provision of or access to Essential Activities, Essential Governmental Functions, Essential Businesses and Operations, or Minimum Basic Operations.
- b. Travel to care for elderly, minors, dependents, persons with disabilities, or other vulnerable persons.
- c. Travel to or from educational institutions for purposes of receiving materials for distance learning, for receiving meals, and any other related services.
- d. Travel to return to a place of residence from outside the jurisdiction.
- e. Travel required by law enforcement or court order, including to transport children pursuant to a custody agreement.
- f. Travel required for non-residents to return to their place of residence outside the State. Individuals are strongly encouraged to verify that their transportation out of the State remains available and functional prior to commencing such travel.

15. **Social Distancing Requirements.** For purposes of this Executive Order, Social Distancing Requirements includes maintaining at least six-foot social distancing from other individuals, washing hands with soap and water for at least twenty seconds as frequently as possible or using hand sanitizer, covering coughs or sneezes (into the sleeve or elbow, not hands), regularly cleaning high-touch surfaces, and not shaking hands.

- a. **Required measures.** Essential Businesses and Operations and businesses engaged in Minimum Basic Operations must take proactive measures to ensure compliance with Social Distancing Requirements, including where possible:
  - i. **Designate six-foot distances.** Designating with signage, tape, or by other means six-foot spacing for employees and customers in line to maintain appropriate distance;
  - ii. **Hand sanitizer and sanitizing products.** Having hand sanitizer and sanitizing products readily available for employees and customers;
  - iii. **Separate operating hours for vulnerable populations.** Implementing separate operating hours for elderly and vulnerable customers; and
  - iv. **Online and remote access.** Posting online whether a facility is open and how best to reach the facility and continue services by phone or remotely.

16. **Intent of this Executive Order.** The intent of this Executive Order is to ensure that the maximum number of people self-isolate in their places of residence to the maximum extent feasible, while enabling essential services to continue, to slow the spread of COVID-19 to the greatest extent possible. When people need to leave their places of residence, whether to perform Essential Activities, or to otherwise facilitate authorized activities necessary for continuity of social and commercial life, they should at all times and as much as reasonably possible comply with Social Distancing Requirements. All provisions of this Executive Order should be interpreted to effectuate this intent.

17. **Enforcement.** This Executive Order may be enforced by State and local law enforcement pursuant to, *inter alia*, Section 7, Section 18, and Section 19 of the Illinois Emergency Management Agency Act, 20 ILCS 3305.

18. **No limitation on authority.** Nothing in this Executive Order shall, in any way, alter or modify any existing legal authority allowing the State or any county, or local government

body from ordering (1) any quarantine or isolation that may require an individual to remain inside a particular residential property or medical facility for a limited period of time, including the duration of this public health emergency, or (2) any closer of a specific location for a limited period of time, including the duration of this public health emergency. Nothing in this Executive Order shall, in any way, alter or modify any existing legal authority allowing a county or local government body to enact provisions that are stricter than those in this Executive Order.

**Section 2. Order ceasing evictions.**

Pursuant to the Illinois Emergency Management Agency Act, 20 ILCS 3305/7(2), (8), and (10), all state, county, and local law enforcement officers in the State of Illinois are instructed to cease enforcement of orders of eviction for residential premises for the duration of the Gubernatorial Disaster Proclamation. No provision contained in this Executive Order shall be construed as relieving any individual of the obligation to pay rent, to make mortgage payments, or to comply with any other obligation that an individual may have under tenancy or mortgage.

**Section 3. Savings clause.**

If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order, which can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.

  
JB Pritzker, Governor

Issued by the Governor March 20, 2020  
Filed by the Secretary of State March 20, 2020

**FILED**  
INDEX DEPARTMENT  
MAR. 20 2020  
IN THE OFFICE OF  
SECRETARY OF STATE



April 1, 2020

Executive Order 2020-18

**EXECUTIVE ORDER IN RESPONSE TO COVID-19**  
**(COVID-19 EXECUTIVE ORDER NO. 16)**

WHEREAS, Coronavirus 2019 (COVID-19) is a novel severe acute respiratory illness that can spread among people through respiratory transmissions and present with symptoms similar to those of influenza; and,

WHEREAS, on March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic; and,

WHEREAS, despite efforts to contain COVID-19, the World Health Organization (WHO) and the federal Centers for Disease Control and Prevention (CDC) have declared that it is expected to spread; and,

WHEREAS, certain populations are at higher risk of experiencing more severe illness as a result of COVID-19, including older adults and people who have serious chronic medical conditions such as heart disease, diabetes, or lung disease; and,

WHEREAS, in a short period of time, COVID-19 has rapidly spread throughout Illinois, necessitating updated and more stringent guidance from federal, state, and local public health officials; and,

WHEREAS, social distancing, which requires maintaining at least a six-foot distance between people, is a paramount strategy for minimizing the spread of COVID-19 in our communities; and,

WHEREAS, current testing availability has identified further spread of confirmed cases throughout the State of Illinois, and it is expected that increased testing capacity would demonstrate that COVID-19 is circulating in communities across Illinois that currently have not identified a confirmed case; and,

WHEREAS, the number of suspected COVID-19 cases in Illinois is increasing exponentially and across more locations in Illinois, indicating that drastic social distancing measures are needed, even in communities where confirmed cases have not yet been identified, to reduce the number of people who become sick at any given time and the possibility of exhausting our health care resources; and,

WHEREAS, I, JB Pritzker, Governor of Illinois, declared all counties in the State of Illinois as a disaster area on March 9, 2020 (the First Gubernatorial Disaster Proclamation) in response to the outbreak of COVID-19; and,

WHEREAS, I again declared all counties in the State of Illinois as a disaster area on April 1, 2020 (the Second Gubernatorial Disaster Proclamation, and, together with the First Gubernatorial Disaster Proclamation, the Gubernatorial Disaster Proclamations) in response to the exponential spread of COVID-19; and,



WHEREAS, for the preservation of public health and safety throughout the entire State of Illinois, and to ensure that our healthcare delivery system is capable of serving those who are sick, I find it necessary to take additional measures consistent with public health guidance to slow and stop the spread of COVID-19; and,

WHEREAS, I find it necessary to continue and extend the Executive Orders issued to date in response to the outbreak of COVID-19, Executive Orders 2020-03, 2020-04, 2020-05, 2020-06, 2020-07, 2020-08, 2020-09, 2020-10, 2020-11, 2020-12, 2020-13, 2020-14, 2020-15, 2020-16, and 2020-17, and hereby incorporate the WHEREAS clauses of those Executive Orders;

THEREFORE, by the powers vested in me as the Governor of the State of Illinois, pursuant to Sections 7(1), 7(2), 7(3), 7(8), 7(9), and 7(12) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, and consistent with the powers in public health laws, I hereby order the following:

**Part 1: Continuing and Extending Prior Executive Orders.**

Executive Orders 2020-03, 2020-04, 2020-05, 2020-06, 2020-07, 2020-08, 2020-09, 2020-10, 2020-11, 2020-12, 2020-13, 2020-14, 2020-15, 2020-16, and 2020-17 hereby are continued and extended by this Executive Order 2020-18 as follows:

**Executive Order 2020-04 (Closure of James R. Thompson Center; Waiver of Sick Leave Requirement for State Employees):**

Section 1. Beginning March 16, 2020, the James R. Thompson Center located at 100 W. Randolph Street, Chicago, Illinois, is closed for the duration of the Gubernatorial Disaster Proclamations to members of the public, except as necessary for the conduct of state business, to obtain services from a state agency or constitutional office, or to operate a business located in the James R. Thompson Center. This closure does not affect public access to businesses located on the ground floor in the James R. Thompson Center through exterior entrances, except as otherwise specified in this Order.

Section 2. Beginning March 13, 2020, the two-year continuous service requirement for state employees to receive advancement of sick leave pursuant to Title 80, Section 303.110 of the Illinois Administrative Code Personnel Rules, is suspended during the duration of the Gubernatorial Disaster Proclamations.

**Executive Orders 2020-05 and 2020-06 (School Closures):**

Executive Orders 2020-05 and 2020-06 are continued and extended in their entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-07 (Suspension of on-premises consumption at restaurants and bars; Unemployment insurance; Open Meetings Act):**

Section 1. Beginning March 16, 2020 at 9 p.m. through April 30, 2020, all businesses in the State of Illinois that offer food or beverages for on-premises consumption—including restaurants, bars, grocery stores, and food halls—must suspend service for and may not permit on-premises consumption. Such businesses are permitted and encouraged to serve food and beverages so that they may be consumed off-premises, as currently permitted by law, through means such as in-house delivery, third-party delivery, drive-through, and curbside pick-up. In addition, customers may enter the premises to purchase food or beverages for carry-out. However, establishments offering food or beverages for carry-out, including food trucks, must ensure that they have an environment where patrons maintain adequate social distancing. Businesses located in airports, hospitals, and dining halls in colleges and universities are exempt from the requirements of this Executive Order. Hotel restaurants may continue to provide room service and carry-out. Catering services may continue.

Section 2. Pursuant to Sections 7(2) and 7(3) of the Illinois Emergency Management Act, the Illinois State Police, the Illinois Department of Public Health, the State Fire

Marshal, and the Illinois Liquor Control Commission are directed to cooperate with one another and to use available resources to enforce the provisions of this Executive Order with respect to entities under their jurisdiction under Illinois law.

Section 3. Nothing in this Executive Order shall amend or supersede the authority of the Illinois Department of Public Health pursuant to Section 2310-15 of the Department of Public Health Powers and Duties Law, 20 ILCS 2310/2310-15.

Section 4. During the duration of the Gubernatorial Disaster Proclamations, the provision of the Unemployment Insurance Act, 820 ILCS 405/500(D), requiring a one-week waiting period for unemployment insurance claims is suspended for claimants who are unemployed and who are otherwise eligible for unemployment insurance benefits.

Section 5. During the duration of the Gubernatorial Disaster Proclamations, the provisions of the Open Meetings Act, 5 ILCS 120, requiring or relating to in-person attendance by members of a public body are suspended. Specifically, (1) the requirement in 5 ILCS 120/2.01 that “members of a public body must be physically present” is suspended; and (2) the conditions in 5 ILCS 120/7 limiting when remote participation is permitted are suspended. Public bodies are encouraged to postpone consideration of public business where possible. When a meeting is necessary, public bodies are encouraged to provide video, audio, and/or telephonic access to meetings to ensure members of the public may monitor the meeting, and to update their websites and social media feeds to keep the public fully apprised of any modifications to their meeting schedules or the format of their meetings due to COVID-19, as well their activities relating to COVID-19.

**Executive Order 2020-08 (Secretary of State Operations):**

Executive Order 2020-08 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-09 (Telehealth):**

Executive Order 2020-09 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-10 (Stay at Home; Social distancing; Evictions ceased):**

Executive Order 2020-10 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-11 (Revisions to Executive Orders 2020-05 and 2020-10; Department of Corrections notification period):**

Executive Order 2020-11 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-12 (Health care worker background checks; Department of Juvenile Justice notification period; Coal Mining Act):**

Executive Order 2020-12 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-13 (Suspending Department of Corrections admissions from county jails):**

Executive Order 2020-13 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-14 (Notary and witness guidelines):**

Executive Order 2020-14 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

Executive Order 2020-14, Section 2, Paragraphs (h) and (i) hereby are amended and revised as follows:

- h. The signatory must transmit by overnight mail, fax, or electronic means a legible copy of the entire signed document directly to the witness no later than the day after the document is signed;
- i. The witness must sign the transmitted copy of the document as a witness and transmit the signed copy of the document back via overnight mail, fax, or electronic means to the signatory within 24 hours of receipt; and

**Executive Order 2020-15 (Suspending provisions of the Illinois School Code):**

Executive Order 2020-15 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-16 (Repossession of vehicles; suspension of classroom training requirement for security services):**

Executive Order 2020-16 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Orders 2020-03 and 2020-17 (Cannabis deadlines and applications):**

Section 1. The application submission deadlines in the Cannabis Regulation and Tax Act and implementing regulations for submitting applications by March 16, 2020, which previously were suspended pursuant to Executive Order 2020-03 and extended through March 30, 2020, and extended through Executive Order 2020-17 to April 7, 2020, hereby are suspended as follows:

- a. The March 16, 2020, deadline for submission of craft grower license applications pursuant to Title 8, Section 1300.300(b) of the Illinois Administrative Code, which was extended through Executive Order 2020-03 to March 30, 2020, and extended through Executive Order 2020-17 to April 7, 2020, is extended to **April 30, 2020**; and
- b. The March 16, 2020, deadline for submission of infuser license applications pursuant to Section 35-5(b) of the Cannabis Regulation and Tax Act, 410 ILCS 705/35-5(b) and Title 8, Section 1300.400(b) of the Illinois Administrative Code, which was extended through Executive Order 2020-03 to March 30, 2020, and extended through Executive Order 2020-17 to April 7, 2020, is extended to **April 30, 2020**; and
- c. The March 16, 2020, deadline for submission of transporter license applications pursuant to Section 40-5(b) of the cannabis Regulation and Tax Act, 40 ILCS 705/40-5(b) and Title 8, Section 1300.510(b)(1)(A) of the Illinois Administrative Code, which was extended through Executive Order 2020-03 to March 30, 2020, and extended through Executive Order 2020-17 to April 7, 2020, is extended to **April 30, 2020**.

Section 2. Any statutory or regulatory requirement to accept such applications in-person is suspended and the Department of Agriculture is directed to cease accepting in-person applications beginning 5 p.m. Central Time March 12, 2020.

Section 3. The Illinois Department of Agriculture is further directed to accept all craft grower, infuser, and transporter license applications post-marked on or before April 30, 2020, via certified US Mail at:

Illinois Department of Agriculture  
c/o Bureau of Medicinal Plants  
P.O. Box 19281  
Springfield, IL 62794-9281 USA

**Part 2: Savings Clause.** If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order, which can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.

  
JB Pritzker, Governor

Issued by the Governor April 1, 2020  
Filed by the Secretary of State April 1, 2020

**FILED**  
INDEX DEPARTMENT

APR 01 2020

IN THE OFFICE OF  
SECRETARY OF STATE





FILED  
INDEX DEPARTMENT

MAY 06 2020

IN THE OFFICE OF  
SECRETARY OF STATE  
CORRECTED  
Executive Order 2020-33

April 30, 2020

**EXECUTIVE ORDER IN RESPONSE TO COVID-19**  
**(COVID-19 EXECUTIVE ORDER NO. 31)**

WHEREAS, protecting the health and safety of Illinoisans is among the most important functions of State government; and,

WHEREAS, Coronavirus Disease 2019 (COVID-19) is a novel severe acute respiratory illness that has spread among people through respiratory transmissions, the World Health Organization declared COVID-19 a Public Health Emergency of International Concern on January 30, 2020, and the United States Secretary of Health and Human Services declared that COVID-19 presents a public health emergency on January 27, 2020; and,

WHEREAS, as the virus has progressed through Illinois, the crisis facing the State has developed and now requires an evolving response to ensure hospitals, health care professionals and first responders are able to meet the health care needs of all Illinoisans and in a manner consistent with CDC guidance that continues to be updated; and,

WHEREAS, I declared all counties in the State of Illinois as a disaster area on April 30, 2020 because the current circumstances in Illinois surrounding the spread of COVID-19, including the devastating impacts to the health and lives of people throughout the State, the threatened shortages of hospital beds, ICU beds, ventilators, and PPE, and the critical need for increased COVID-19 testing capacity, constitute an epidemic emergency and a public health emergency; and,

WHEREAS, in response to the epidemic emergency and public health emergency described above, I find it necessary to re-issue Executive Orders 2020-03, 2020-04, 2020-05, 2020-06, 2020-07, 2020-08, 2020-09, 2020-11, 2020-12, 2020-13, 2020-14, 2020-15, 2020-16, 2020-17, 2020-19, 2020-20, 2020-21, 2020-22, 2020-23, 2020-24, 2020-25, 2020-26, 2020-27, 2020-28, 2020-29, 2020-30, and 2020-31, and hereby incorporate the WHEREAS clauses of those Executive Orders;

THEREFORE, by the powers vested in me as the Governor of the State of Illinois, pursuant to the Illinois Constitution and Sections 7(1), 7(2), 7(3), 7(8), 7(9), and 7(12) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, and consistent with the powers in public health laws, I hereby order the following, effective April 30, 2020:

**Part 1: Re-Issue of Executive Orders.**

Executive 2020-03, 2020-04, 2020-05, 2020-06, 2020-07, 2020-08, 2020-09, 2020-11, 2020-12, 2020-13, 2020-14, 2020-15, 2020-16, 2020-17, 2020-19, 2020-20, 2020-21, 2020-22, 2020-23, 2020-24, 2020-25, 2020-26, 2020-27, 2020-28, 2020-29, 2020-30, and 2020-31 hereby are re-issued by this Executive Order 2020-33 as follows:

**Executive Order 2020-04 (Closure of James R. Thompson Center; Waiver of Sick Leave Requirement for State Employees):**

Sections 2 and 3 of Executive Order 2020-04 are re-issued and extended through May 29, 2020.

**Executive Orders 2020-05 and 2020-06 (School Closures):**

Executive Orders 2020-05 and 2020-06 are re-issued in their entirety and extended through May 29, 2020.

**Executive Order 2020-07 (Suspension of on-premises consumption at restaurants and bars; Unemployment insurance; Open Meetings Act):**

Sections 1, 3, 4, 5, and 6, as amended below, of Executive Order 2020-07 are re-issued and extended through May 29, 2020.

Section 6. During the duration of the Gubernatorial Disaster Proclamation and through May 29, 2020, the provisions of the Open Meetings Act, 5 ILCS 120, requiring or relating to in-person attendance by members of a public body are suspended. Specifically, (1) the requirement in 5 ILCS 120/2.01 that “members of a public body must be physically present” is suspended; and (2) the conditions in 5 ILCS 120/7 limiting when remote participation is permitted are suspended. The provision of the Illinois Finance Authority Act that “[a]ll meetings shall be conducted at a single location within the State with a quorum of members physically present at this location,” 20 ILCS 3501/801-25, is suspended through May 29, 2020. The provision of the Illinois Administrative Code that a meeting of the Concealed Carry Licensing Review Board that requires a “quorum is in attendance at a meeting” as a condition for when “Commissioners may attend telephonically or electronically,” 20 Ill. Admin. Code 2900.110(c), is suspended through May 29, 2020.

Public bodies, including those listed specifically above, are encouraged to postpone consideration of public business where possible. When a meeting is necessary, public bodies are encouraged to provide video, audio, and/or telephonic access to meetings to ensure members of the public may monitor the meeting, and to update their websites and social media feeds to keep the public fully apprised of any modifications to their meeting schedules or the format of their meetings due to COVID-19, as well their activities relating to COVID-19.

**Executive Order 2020-08 (Secretary of State Operations):**

Executive Order 2020-08 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-09 (Telehealth):**

Executive Order 2020-09 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-11 (Revisions to prior Executive Orders; Department of Corrections notification period):**

Sections 3 and 4 of Executive Order 2020-11 are re-issued and extended through May 29, 2020.

**Executive Order 2020-12 (Health care worker background checks; Department of Juvenile Justice notification period; Coal Mining Act):**

Executive Order 2020-12 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-13 (Suspending Department of Corrections admissions from county jails):**

Executive Order 2020-13 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-14 (Notary and witness guidelines):**

Executive Order 2020-14, as amended below, is re-issued in its entirety and extended through May 29, 2020.

Section 2. During the duration of the Gubernatorial Disaster Proclamation related to the outbreak of COVID-19, any act of witnessing required by Illinois law may be completed remotely by via two-way audio-video communication technology, provided that:

- a. The two-way audio-video communication technology must allow for direct, contemporaneous interaction between the individual signing the document (“the signatory”) and the witness by sight and sound;
- b. The two-way audio-video communication technology must be recorded and preserved by the signatory or the signatory’s designee for a period of at least three years;
- c. The signatory must attest to being physically located in Illinois during the two-way audio-video communication;
- d. The witness must attest to being physically located in Illinois during the two-way audio-video communication;
- e. The signatory must affirmatively state on the two-way audio-video communication what document the signatory is signing;
- f. Each page of the document being witnessed must be shown to the witness on the two-way audio-video communication technology in a means clearly legible to the witness and initialed by the signatory in the presence of the witness;
- g. The act of signing must be captured sufficiently up close on the two-way audio-video communication for the witness to observe;
- h. The signatory must transmit by overnight mail, fax, or electronic means a legible copy of the entire signed document directly to the witness no later than the day after the document is signed;
- i. The witness must sign the transmitted copy of the document as a witness and transmit the signed copy of the document back via overnight mail, fax, or electronic means to the signatory within 24 hours of receipt; and,
- j. If necessary, the witness may sign the original signed document as of the date of the original execution by the signatory provided that the witness receives the original signed document together with the electronically witnessed copy within thirty days from the date of the remote witnessing.

**Executive Order 2020-15 (Suspending provisions of the Illinois School Code):**

Executive Order 2020-15 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-16 (Repossession of vehicles; suspension of classroom training requirement for security services):**

Executive Order 2020-16 is re-issued in its entirety and extended through May 29, 2020.

**Executive Orders 2020-03 and 2020-17 (Cannabis deadlines and applications):**

Executive Orders 2020-03 and 2020-17, as modified by Executive Order 2020-18, are re-issued and shall remain in effect as specified by Executive Order 2020-18.

**Executive Order 2020-19 (Immunity from civil liability for health care facilities, professionals, and volunteers):**

Executive Order 2020-19, as amended below, is re-issued in its entirety and extended through May 29, 2020.

Section 1. For purposes of this Executive Order, the following terms are defined as set forth below:

- a. “Health Care Facilities” means:

- i. Facilities licensed, certified, or approved by any State agency and covered by the following: 77 Ill. Admin. Section 1130.215(a)-(f); University of Illinois Hospital Act, 110 ILCS 330; Alternative Health Care Delivery Act, 210 ILCS 3/35(2)-(4); Emergency Medical Services (EMS) Systems Act, 210 ILCS 50; or Department of Veterans' Affairs Act, 20 ILCS 2805;
- ii. State-operated Developmental Centers certified by the federal Centers for Medicare and Medicaid Services and licensed State-operated Mental Health Centers created pursuant to the Mental Health and Developmental Disabilities Administrative Act, 20 ILCS 1705/4;
- iii. Licensed community-integrated living arrangements as defined by the Community-Integrated Living Arrangements Licensing and Certification Act, 210 ILCS 135/2;
- iv. Licensed Community Mental Health Centers as defined in the Community Services Act, 405 ILCS 30;
- v. Federally qualified health centers under the Social Security Act, 42 U.S.C. § 1396d(l)(2)(B); and
- vi. Any government-operated site providing health care services established for the purpose of responding to the COVID-19 outbreak;
- vii. Supportive living facilities certified by the Illinois Department of Healthcare and Family Services pursuant to the Illinois Public Aid Code, 305 ILCS 5/5-5.01(a); and,
- viii. Assisted living establishments and shared housing establishments licensed by the DPH pursuant to the Assisted Living and Shared Housing Act, 210 ILCS 9.

"Health Care Facility" is the singular form of the plural "Health Care Facilities."

- b. "Health Care Professional" means all licensed or certified health care or emergency medical services workers who (i) are providing health care services at a Health Care Facility in response to the COVID-19 outbreak and are authorized to do so; or (ii) are working under the direction of the Illinois Emergency Management Agency (IEMA) or DPH in response to the Gubernatorial Disaster Proclamations.
- c. "Health Care Volunteer" means all volunteers or medical or nursing students who do not have licensure who (i) are providing services, assistance, or support at a Health Care Facility in response to the COVID-19 outbreak and are authorized to do so; or (ii) are working under the direction of IEMA or DPH in response to the Gubernatorial Disaster Proclamations.

Section 8. For purposes of Section 2, rendering assistance by hospitals licensed pursuant to the Illinois Hospital Licensing Act, 210 ILCS 85, must also include accepting a transfer of a COVID-19 patient from another hospital, including hospital inpatients, and state-operated entities (collectively, "transferring entities") that do not have the capacity and capability necessary to provide treatment for a COVID-19 patient. The receiving hospital shall accept such transfer of a COVID-19 patient if it has sufficient capacity and capability necessary to provide treatment for the COVID-19 patient. In determining whether a hospital has sufficient capacity and capability necessary to provide treatment for a COVID-19 patient, the hospital shall consider, at a minimum, its ability to provide safe and effective treatment consistent with current public health recommendations and available supplies, staffing, and medical bed capacity.

**Executive Order 2020-20 (Public assistance requirements):**

Executive Order 2020-20 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-21 (Furlough of Illinois Department of Corrections inmates):**

Executive Order 2020-21 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-22 (Township meetings; Funeral Directors and Embalmers Licensing Code; placements under the Child Care Act of 1969; fingerprint submissions under Health Care Worker Background Check Act):**



Executive Order 2020-22 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-23 (Actions by the Illinois Department of Financial and Professional Regulation for licensed professionals engaged in disaster response):**

Executive Order 2020-23 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-24 (Illinois Department of Human Services Forensic Treatment Program; investigations of Illinois Department of Human Services employees):**

Executive Order 2020-24 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-25 (Garnishment and wage deductions):**

Executive Order 2020-25 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-26 (Hospital capacity):**

Executive Order 2020-26 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-27 (Cadavers testing positive for COVID-19):**

Executive Order 2020-27 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-28 (Industrial radiography certifications):**

Executive Order 2020-28 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-29 (In-person education or exams for professional insurance licenses):**

Executive Order 2020-29 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-30 (Filing of residential eviction actions; enforcement of non-residential eviction orders; expired consular identification documents; electronic filings for the Illinois Human Rights Commission):**

Executive Order 2020-30, as amended below, is re-issued in its entirety and extended through May 29, 2020.

Section 3. All state, county, and local law enforcement officers in the State of Illinois are instructed to cease enforcement of orders of eviction for residential and non-residential premises, unless the tenant has been found to pose a direct threat to the health and safety of other tenants, an immediate and severe risk to property, or a violation of any applicable building code, health ordinance, or similar regulation. Nothing in this Executive Order shall be construed as relieving any individual or entity of the obligation to pay rent, to make mortgage payments, or comply with any other obligation that an individual or entity may have pursuant to a lease, ~~or~~ rental agreement, or mortgage. The continued need for this directive shall be evaluated upon issuance of any new Gubernatorial Disaster Proclamation.

**Executive Order 2020-31 (Educator licensure and student graduation requirements):**

Executive Order 2020-31 is re-issued in its entirety and extended through May 29, 2020.

**Part 2: Savings Clause.** If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order, which can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.

  
JB Pritzker, Governor

Issued by the Governor April 30, 2020  
Filed by the Secretary of State April 30, 2020

**FILED**  
INDEX DEPARTMENT

MAY 06 2021

IN THE OFFICE OF  
SECRETARY OF STATE



April 30, 2020

Executive Order 2020-32

**EXECUTIVE ORDER 2020-32**  
**(COVID-19 EXECUTIVE ORDER NO. 30)**

WHEREAS, protecting the health and safety of Illinoisans is among the most important functions of State government; and,

WHEREAS, it is critical that Illinoisans who become sick are able to be treated by medical professionals, including when a hospital bed, emergency room bed, or ventilator is needed; and,

WHEREAS, it is also critical that the State's health care and first responder workforce has adequate personal protective equipment (PPE) to safely treat patients, respond to public health disasters, and prevent the spread of communicable diseases; and,

WHEREAS, Coronavirus Disease 2019 (COVID-19) is a novel severe acute respiratory illness that has spread among people through respiratory transmissions, the World Health Organization declared COVID-19 a Public Health Emergency of International Concern on January 30, 2020, and the United States Secretary of Health and Human Services declared that COVID-19 presents a public health emergency on January 27, 2020; and,

WHEREAS, on March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic, and has reported more than 3 million confirmed cases of COVID-19 and 200,000 deaths attributable to COVID-19 globally as of April 30, 2020; and,

WHEREAS, a vaccine or treatment is not currently available for COVID-19 and, on April 24, 2020, the World Health Organization warned that there is currently no evidence that people who have recovered from COVID-19 and have antibodies are protected from a second infection; and,

WHEREAS, despite efforts to contain COVID-19, the World Health Organization and the federal Centers for Disease Control and Prevention (CDC) indicated that the virus was expected to continue spreading and it has, in fact, continued to spread rapidly, resulting in the need for federal and State governments to take significant steps; and,

WHEREAS, the CDC currently recommends that all United States residents take precautions to contain the spread of COVID-19, including that they: (1) stay home as much as possible; (2) if they must leave their home, practice social distancing by maintaining 6 feet of distance from others and avoiding all gatherings; (3) wear cloth face coverings in public settings where other social distancing measures are difficult to maintain; (4) be alert for symptoms such as fever, cough, or shortness of breath, and take their temperature if symptoms develop; and (5) exercise appropriate hygiene, including proper hand-washing; and,

WHEREAS, the CDC also recommends the following precautions for household members, caretakers and other persons having close contact with a person with symptomatic COVID-19,

during the period from 48 hours before onset of symptoms until the symptomatic person meets the criteria for discontinuing home isolation: (1) stay home until 14 days after last exposure and maintain social distance (at least 6 feet) from others at all times; (2) self-monitor for symptoms, including checking their temperature twice a day and watching for fever, cough, or shortness of breath; and (3) avoid contact with people at higher risk for severe illness (unless they live in the same home and had the same exposure); and,

WHEREAS, as circumstances surrounding COVID-19 rapidly evolve, there have been frequent changes in information and guidance from public health officials as a result of emerging evidence; and,

WHEREAS, as of April 30, 2020, there have been nearly 53,000 confirmed cases of COVID-19 in 97 Illinois counties and 2,350 deaths from COVID-19; and,

WHEREAS, studies suggest that for every confirmed case there are many more unknown cases, some of which are asymptomatic individuals, meaning that individuals can pass the virus to others without knowing; and,

WHEREAS, as the virus has progressed through Illinois, the crisis facing the State has developed and now requires an evolving response to ensure hospitals, health care professionals and first responders are able to meet the health care needs of all Illinoisans and in a manner consistent with CDC guidance that continues to be updated; and,

WHEREAS, Illinois is using a high percentage of hospital beds, ICU beds, and ventilators as a result of the number of COVID-19 patients that require hospitalization and, if cases were to surge higher, the State would face a shortage of these critical health care resources; and,

WHEREAS, Illinois currently has a total of 32,010 hospital beds with 3,631 ICU beds, of which, as of April 30, 2020, only 33% of hospital beds and 25% of ICU beds were available statewide, and only 17% of ICU beds were available in the Chicago region; and,

WHEREAS, the State worked with top researchers from the University of Illinois at Urbana-Champaign, the Northwestern School of Medicine, the University of Chicago, the Chicago and Illinois Departments of Public Health, along with McKinsey and Mier Consulting Group, and Civis Analytics, to analyze two months' worth of daily data on COVID-19 deaths and ICU usage and model potential outcomes; and,

WHEREAS, the State's modeling shows that its health care resource utilization will not peak until May, and that health care resources will continue to be limited after the peak; and,

WHEREAS, the State's modeling shows that without extensive social distancing and other precautions, the State will not have sufficient hospital beds, ICU beds or ventilators; and,

WHEREAS, Illinois currently has a total of 32,010 hospital beds, and the State's modeling shows that without a "stay at home" order, more than 100,000 hospital beds would be necessary; and,

WHEREAS, Illinois currently has a total of 3,631 ICU beds, and the State's modeling shows that without a "stay at home" order, more than 25,000 ICU beds would be necessary; and,

WHEREAS, Illinois currently has a total of 3,378 ventilators, and the State's modeling shows that without a "stay at home" order, upwards of 20,000 ventilators would be necessary; and,

WHEREAS, the State's modeling shows that without a "stay at home" order, the number of deaths from COVID-19 would be between 10 to 20 times higher than with a "stay at home" order in place; and,

WHEREAS, I declared all counties in the State of Illinois as a disaster area on April 30, 2020 because the current circumstances in Illinois surrounding the spread of COVID-19 constitute an epidemic and a public health emergency under Section 4 of the Illinois Emergency Management Agency Act; and,

WHEREAS, I declared all counties in the State of Illinois as a disaster area on April 30, 2020 because the current circumstances surrounding the threatened shortages of hospital beds, ICU beds, ventilators, and PPE, and critical need for increased COVID-19 testing capacity constitute a public health emergency under Section 4 of the Illinois Emergency Management Agency Act; and,

WHEREAS, the Illinois Constitution, in Article V, Section 8, provides that “the Governor shall have the supreme executive power, and shall be responsible for the faithful execution of the laws,” and states, in the Preamble, that a central purpose of the Illinois Constitution is “provide for the health, safety, and welfare of the people;” and,

WHEREAS, for the preservation of public health and safety throughout the entire State of Illinois, and to ensure that our healthcare delivery system is capable of serving those who are sick, I find it necessary to take measures consistent with public health guidance to slow and stop the spread of COVID-19 and to prevent shortages of hospital beds, ICU beds, ventilators, and PPE and to increase COVID-19 testing capacity;

THEREFORE, by the powers vested in me as the Governor of the State of Illinois, pursuant to the Illinois Constitution and Sections 7(1), 7(2), 7(3), 7(8), 7(9), and 7(12) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, and consistent with the powers in public health laws, I hereby order the following, effective May 1, 2020:

#### **Section 1. Public Health Requirements for Individuals Leaving Home and for Businesses**

1. **Wearing a face covering in public places or when working.** Any individual who is over age two and able to medically tolerate a face-covering (a mask or cloth face-covering) shall be required to cover their nose and mouth with a face-covering when in a public place and unable to maintain a six-foot social distance. Face-coverings are required in public indoor spaces such as stores.
2. **Requirements for essential stores.** Retail stores (including, but not limited to, stores that sell groceries and medicine, hardware stores, and greenhouses, garden centers, and nurseries) designated as Essential Businesses and Operations under this Order shall to the greatest extent possible:
  - provide face coverings to all employees who are not able to maintain a minimum six-foot social distance at all times;
  - cap occupancy at 50 percent of store capacity, or, alternatively, at the occupancy limits based on store square footage set by the Department of Commerce and Economic Opportunity;
  - set up store aisles to be one-way where practicable to maximize spacing between customers and identify the one-way aisles with conspicuous signage and/or floor markings;
  - communicate with customers through in-store signage, and public service announcements and advertisements, about the social distancing requirements set forth in this Order (Social Distancing Requirements); and
  - discontinue use of reusable bags.

Households must limit the number of members who enter stores to the minimum necessary.

3. **Requirements for non-essential stores.** Retail stores not designated as Essential Businesses and Operations may re-open for the limited purposes of fulfilling telephone and online orders through pick-up outside the store and delivery – which are deemed to be Minimum Basic Operations. Employees working in the store must follow the social Distancing Requirements, and must wear a face covering when they may come within six feet of another employee or a customer.
4. **Requirements for manufacturers.** Manufacturers that continue to operate pursuant to this Order must follow Social Distancing Requirements and take appropriate precautions, which may include:



- providing face coverings to all employees who are not able to maintain a minimum six-foot social distance at all times;
  - staggering shifts;
  - reducing line speeds;
  - operating only essential lines, while shutting down non-essential lines;
  - ensuring that all spaces where employees may gather, including locker rooms and lunchrooms, allow for social distancing; and
  - downsizing operations to the extent necessary to allow for social distancing and to provide a safe workplace in response to the COVID-19 emergency.
5. **Requirements for all businesses.** All businesses must evaluate which employees are able to work from home, and are encouraged to facilitate remote work from home when possible. All businesses that have employees physically reporting to a work-site must post the guidance from the Illinois Department of Public Health (IDPH) and Office of the Illinois Attorney General regarding workplace safety during the COVID-19 emergency. The guidance will be posted on the IDPH webpage.

**Section 2. Stay at Home; Social Distancing Requirements; and Essential Businesses and Operations**

1. **Stay at home or place of residence.** With exceptions as outlined below, all individuals currently living within the State of Illinois are ordered to stay at home or at their place of residence except as allowed in this Executive Order. To the extent individuals are using shared or outdoor spaces when outside their residence, they must at all times and as much as reasonably possible maintain social distancing of at least six feet from any other person, consistent with the Social Distancing Requirements set forth in this Executive Order. All persons may leave their homes or place of residence only for Essential Activities, Essential Governmental Functions, or to operate Essential Businesses and Operations, all as defined below.

Individuals experiencing homelessness are exempt from this directive, but are strongly urged to obtain shelter, and governmental and other entities are strongly urged to make such shelter available as soon as possible and to the maximum extent practicable (and to use in their operation COVID-19 risk mitigation practices recommended by the U.S. Centers for Disease Control and Prevention (CDC) and the Illinois Department of Public Health (IDPH)). Individuals whose residences are unsafe or become unsafe, such as victims of domestic violence, are permitted and urged to leave their home and stay at a safe alternative location. For purposes of this Executive Order, homes or residences include hotels, motels, shared rental units, shelters, and similar facilities.

2. **Non-essential business and operations must cease.** All businesses and operations in the State, except Essential Businesses and Operations as defined below, are required to cease all activities within the State except Minimum Basic Operations, as defined below. For clarity, businesses may also continue operations consisting exclusively of employees or contractors performing activities at their own residences (i.e., working from home).

All Essential Businesses and Operations may remain open consistent with the express provisions of this Order and the intent of this Order as set forth in Section 2, Paragraph 16 below. To the greatest extent feasible, Essential Businesses and Operations shall comply with Social Distancing Requirements as defined in this Executive Order, including by maintaining six-foot social distancing for both employees and members of the public at all times, including, but not limited to, when any customers are standing in line.

3. **Prohibited activities.** All public and private gatherings of any number of people occurring outside a single household or living unit are prohibited, except for the limited purposes permitted by this Executive Order. Pursuant to current guidance from the CDC, any gathering of more than ten people is prohibited unless exempted by this Executive

Order. Nothing in this Executive Order prohibits the gathering of members of a household or residence.

All places of public amusement, whether indoors or outdoors, including but not limited to, locations with amusement rides, carnivals, amusement parks, water parks, aquariums, zoos, museums, arcades, fairs, children's play centers, playgrounds, funplexes, theme parks, bowling alleys, movie and other theaters, concert and music halls, and country clubs or social clubs shall be closed to the public.

4. **Prohibited and permitted travel.** All travel, including, but not limited to, travel by automobile, motorcycle, scooter, bicycle, train, plane, or public transit, except Essential Travel and Essential Activities as defined herein, is prohibited. People riding on public transit must comply with Social Distancing Requirements to the greatest extent feasible. This Executive Order allows travel into or out of the State to maintain Essential Businesses and Operations and Minimum Basic Operations.
5. **Leaving the home for essential activities is permitted.** For purposes of this Executive Order, individuals may leave their residence only to perform any of the following Essential Activities, and must follow the Social Distancing Requirements set forth in this Order, including wearing face coverings when in public or at work:
  - a. **For health and safety.** To engage in activities or perform tasks essential to their health and safety, or to the health and safety of their family or household members (including, but not limited to, pets), such as, by way of example only and without limitation, seeking emergency services, obtaining medical supplies or medication, or visiting a health care professional.
  - b. **For necessary supplies and services.** To obtain necessary services or supplies for themselves and their family or household members, or to deliver those services or supplies to others, such as, by way of example only and without limitation, groceries and food, household consumer products, supplies they need to work from home, and products necessary to maintain the safety, sanitation, and essential operation of residences.
  - c. **For outdoor activity.** To engage in outdoor activity, provided the individuals comply with Social Distancing Requirements, as defined below, such as, by way of example and without limitation, walking, hiking, running, and biking. Individuals may go to public parks and open outdoor recreation areas, including specific State parks that remain open for certain activities, as designated by the Illinois Department of Natural Resources. Fishing, boating, and golf are permitted only when following the guidelines provided by the Illinois Department of Commerce and Economic Opportunity (DCEO). Playgrounds may increase spread of COVID-19, and therefore shall be closed.
  - d. **For certain types of work.** To perform work providing essential products and services at Essential Businesses or Operations (which, as defined below, includes Healthcare and Public Health Operations, Human Services Operations, Essential Governmental Functions, and Essential Infrastructure) or to otherwise carry out activities specifically permitted in this Executive Order, including Minimum Basic Operations.
  - e. **To take care of others.** To care for a family member, friend, or pet in another household, and to transport family members, friends, or pets as allowed by this Executive Order.
  - f. **To engage in the free exercise of religion.** To engage in the free exercise of religion, provided that such exercise must comply with Social Distancing Requirements and the limit on gatherings of more than ten people in keeping with

CDC guidelines for the protection of public health. Religious organizations and houses of worship are encouraged to use online or drive-in services to protect the health and safety of their congregants.

6. **Elderly people and those who are vulnerable as a result of illness should take additional precautions.** People at high risk of severe illness from COVID-19, including elderly people and those who are sick, are urged to stay in their residence to the extent possible except as necessary to seek medical care. Nothing in this Executive Order prevents the Illinois Department of Public Health or local public health departments from issuing and enforcing isolation and quarantine orders pursuant to the Department of Public Health Act, 20 ILCS 2305.
7. **Healthcare and Public Health Operations.** For purposes of this Executive Order, individuals may leave their residence to work for or obtain services through Healthcare and Public Health Operations.

Healthcare and Public Health Operations includes, but is not limited to: hospitals; clinics; dental offices; pharmacies; public health entities, including those that compile, model, analyze and communicate public health information; pharmaceutical, pharmacy, medical device and equipment, and biotechnology companies (including operations, research and development, manufacture, and supply chain); organizations collecting blood, platelets, plasma, and other necessary materials; licensed medical cannabis dispensaries and licensed cannabis cultivation centers; reproductive health care providers; eye care centers, including those that sell glasses and contact lenses; home healthcare services providers; mental health and substance use providers; other healthcare facilities and suppliers and providers of any related and/or ancillary healthcare services; and entities that transport and dispose of medical materials and remains.

Specifically included in Healthcare and Public Health Operations are manufacturers, technicians, logistics, and warehouse operators and distributors of medical equipment, personal protective equipment (PPE), medical gases, pharmaceuticals, blood and blood products, vaccines, testing materials, laboratory supplies, cleaning, sanitizing, disinfecting or sterilization supplies, and tissue and paper towel products.

Healthcare and Public Health Operations also includes veterinary care and all healthcare and grooming services provided to animals.

Healthcare and Public Health Operations shall be construed broadly to avoid any impacts to the delivery of healthcare, broadly defined. Healthcare and Public Health Operations does not include fitness and exercise gyms, spas, salons, barber shops, tattoo parlors, and similar facilities.

8. **Human Services Operations.** For purposes of this Executive Order, individuals may leave their residence to work for or obtain services at any Human Services Operations, including any provider funded by the Illinois Department of Human Services, Illinois Department of Children and Family Services, or Medicaid that is providing services to the public and including state-operated, institutional, or community-based settings providing human services to the public.

Human Services Operations includes, but is not limited to: long-term care facilities; all entities licensed pursuant to the Child Care Act, 225 ILCS 10, except for day care centers, day care homes, and group day care homes; day care centers licensed as specified in Section 2, Paragraph 12(s) of this Executive Order; day programs exempt from licensure under Title 89 of the Illinois Administrative Code, Sections 377.3(a)(1)-(a)(4), (b)(2), and (c); day programs exempt from licensure under Title 89 of the Illinois Administrative Code, Section 377.3(d) (subject to the conditions governing exempt day care homes set forth in Section 1, Paragraph 12(s) of this Executive Order); residential settings and shelters for adults, seniors, children, and/or people with developmental



disabilities, intellectual disabilities, substance use disorders, and/or mental illness; transitional facilities; home-based settings to provide services to individuals with physical, intellectual, and/or developmental disabilities, seniors, adults, and children; field offices that provide and help to determine eligibility for basic needs including food, cash assistance, medical coverage, child care, vocational services, rehabilitation services; developmental centers; adoption agencies; businesses that provide food, shelter, and social services, and other necessities of life for economically disadvantaged individuals, individuals with physical, intellectual, and/or developmental disabilities, or otherwise needy individuals.

Human Services Operations shall be construed broadly to avoid any impacts to the delivery of human services, broadly defined.

9. **Essential Infrastructure.** For purposes of this Executive Order, individuals may leave their residence to provide any services or perform any work necessary to offer, provision, operate, maintain and repair Essential Infrastructure.

Essential Infrastructure includes, but is not limited to: food production, distribution, and sale; construction (including, but not limited to, construction required in response to this public health emergency, hospital construction, construction of long-term care facilities, public works construction, and housing construction); building management and maintenance; airport operations; operation and maintenance of utilities, including water, sewer, and gas; electrical (including power generation, distribution, and production of raw materials); distribution centers; oil and biofuel refining; roads, highways, railroads, and public transportation; ports; cybersecurity operations; flood control; solid waste and recycling collection and removal; and internet, video, and telecommunications systems (including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and web-based services).

Essential Infrastructure shall be construed broadly to avoid any impacts to essential infrastructure, broadly defined.

10. **Essential Governmental Functions.** For purposes of this Executive Order, all first responders, emergency management personnel, emergency dispatchers, court personnel, law enforcement and corrections personnel, hazardous materials responders, child protection and child welfare personnel, housing and shelter personnel, military, and other governmental employees working for or to support Essential Businesses and Operations are categorically exempt from this Executive Order.

Essential Government Functions means all services provided by the State or any municipal, township, county, subdivision or agency of government and needed to ensure the continuing operation of the government agencies or to provide for or support the health, safety and welfare of the public, and including contractors performing Essential Government Functions. Each government body shall determine its Essential Governmental Functions and identify employees and/or contractors necessary to the performance of those functions.

This Executive Order does not apply to the United States government. Nothing in this Executive Order shall prohibit any individual from performing or accessing Essential Governmental Functions.

11. **Businesses covered by this Executive Order.** For the purposes of this Executive Order, covered businesses include any for-profit, non-profit, or educational entities, regardless of the nature of the service, the function it performs, or its corporate or entity structure.
12. **Essential Businesses and Operations.** For the purposes of this Executive Order, Essential Businesses and Operations means Healthcare and Public Health Operations,

Human Services Operations, Essential Governmental Functions, and Essential Infrastructure, and the following:<sup>1</sup>

- a. **Stores that sell groceries and medicine.** Grocery stores, pharmacies; certified farmers' markets, farm and produce stands, supermarkets, convenience stores, and other establishments engaged in the retail sale of groceries, canned food, dry goods, frozen foods, fresh fruits and vegetables, pet supplies, fresh meats, fish, and poultry, alcoholic and non-alcoholic beverages, and any other household consumer products (such as cleaning and personal care products). This includes stores that sell groceries, medicine, including medication not requiring a medical prescription, and also that sell other non-grocery products, and products necessary to maintaining the safety, sanitation, and essential operation of residences and Essential Businesses and Operations;
- b. **Food, beverage, and cannabis production and agriculture.** Food and beverage manufacturing, production, processing, and cultivation, including farming, livestock, fishing, baking, and other production agriculture, including cultivation, marketing, production, and distribution of animals and goods for consumption; licensed medical and adult use cannabis dispensaries and licensed cannabis cultivation centers; and businesses that provide food, shelter, and other necessities of life for animals, including animal shelters, rescues, shelters, kennels, and adoption facilities;
- c. **Organizations that provide charitable and social services.** Businesses and religious and secular nonprofit organizations, including food banks, when providing food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals, individuals who need assistance as a result of this emergency, and people with disabilities;
- d. **Media.** Newspapers, television, radio, and other media services;
- e. **Gas stations and businesses needed for transportation.** Gas stations and auto-supply, auto-repair, and related facilities and bicycle shops and related facilities;
- f. **Financial institutions.** Banks, currency exchanges, consumer lenders, including but not limited to, payday lenders, pawnbrokers, consumer installment lenders and sales finance lenders, credit unions, appraisers, title companies, financial markets, trading and futures exchanges, affiliates of financial institutions, entities that issue bonds, related financial institutions, and institutions selling financial products;
- g. **Hardware and supply stores and greenhouses, garden centers, and nurseries.** Hardware stores and businesses that sell electrical, plumbing, and heating material, and greenhouses, garden centers, and nurseries;
- h. **Critical trades.** Building and Construction Tradesmen and Tradeswomen, and other trades including but not limited to plumbers, electricians, exterminators, cleaning and janitorial staff for commercial and governmental properties, security staff, operating engineers, HVAC, painting, moving and relocation services, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences, Essential Activities, and Essential Businesses and Operations;

<sup>1</sup> On March 19, 2020, the U.S. Department of Homeland Security, Cybersecurity & Infrastructure Security Agency, issued a *Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response*. The definition of Essential Businesses and Operations in this Order is meant to encompass the workers identified in that Memorandum.

- i. Mail, post, shipping, logistics, delivery, and pick-up services. Post offices and other businesses that provide shipping and delivery services, and businesses that ship or deliver groceries, food, alcoholic and non-alcoholic beverages, goods or services to end users or through commercial channels;
- j. Educational institutions. Educational institutions—including public and private pre-K-12 schools, colleges, and universities—for purposes of facilitating distance learning, performing critical research, or performing essential functions, provided that social distancing of six-feet per person is maintained to the greatest extent possible. Educational institutions may allow and establish procedures for pick-up of necessary supplies and/or student belongings and dormitory move-out if conducted in a manner consistent with public health guidelines, including Social Distancing Requirements. This Executive Order is consistent with and does not amend or supersede Executive Order 2020-05 (COVID-19 Executive Order No. 3) or Executive Order 2020-06 (COVID-19 Executive Order No. 4) except that affected schools have been closed past the April 7, 2020 date reflected in those Orders;
- k. Laundry services. Laundromats, dry cleaners, industrial laundry services, and laundry service providers;
- l. Restaurants for consumption off-premises. Restaurants and other facilities that prepare and serve food, but only for consumption off-premises, through such means as in-house delivery, third-party delivery, drive-through, curbside pick-up, and carry-out. Schools and other entities that typically provide food services to students or members of the public may continue to do so under this Executive Order on the condition that the food is provided to students or members of the public on a pick-up and takeaway basis only. Schools and other entities that provide food services under this exemption shall not permit the food to be eaten at the site where it is provided, or at any other gathering site due to the virus's propensity to physically impact surfaces and personal property. This Executive Order is consistent with and does not amend or supersede Section 1 of Executive Order 2020-07 (COVID-19 Executive Order No. 5) except that Section 1 is ordered to be extended through April 7, 2020;
- m. Supplies to work from home. Businesses that sell, manufacture, or supply products needed for people to work from home;
- n. Supplies for Essential Businesses and Operations. Businesses that sell, manufacture, or supply other Essential Businesses and Operations with the support or materials necessary to operate, including computers, audio and video electronics, household appliances; IT and telecommunication equipment; hardware, paint, flat glass; electrical, plumbing and heating material; sanitary equipment; personal hygiene products; food, food additives, ingredients and components; medical and orthopedic equipment; optics and photography equipment; diagnostics, food and beverages, chemicals, soaps and detergent; and firearm and ammunition suppliers and retailers for purposes of safety and security;
- o. Transportation. Airlines, taxis, transportation network providers (such as Uber and Lyft), vehicle rental services, paratransit, and other private, public, and commercial transportation and logistics providers necessary for Essential Activities and other purposes expressly authorized in this Executive Order;
- p. Home-based care and services. Home-based care for adults, seniors, children, and/or people with developmental disabilities, intellectual disabilities, substance use disorders, and/or mental illness, including caregivers such as nannies who

may travel to the child's home to provide care, and other in-home services including meal delivery;

- q. **Residential facilities and shelters.** Residential facilities and shelters for adults, seniors, children, and/or people with developmental disabilities, intellectual disabilities, substance use disorders, and/or mental illness;
  - r. **Professional services.** Professional services, such as legal services, accounting services, insurance services, real estate services (including appraisal and title services);
  - s. **Day care centers for employees exempted by this Executive Order.** Day care centers granted an emergency license pursuant to Title 89, Section 407.500 of the Illinois Administrative Code, governing Emergency Day Care Programs for children of employees exempted by this Executive Order to work as permitted. The licensing requirements for day care homes pursuant to Section 4 of the Child Care Act, 225 ILCS 10/4, are hereby suspended for family homes that receive up to 6 children for the duration of the Gubernatorial Disaster Proclamation;
  - t. **Manufacture, distribution, and supply chain for critical products and industries.** Manufacturing companies, distributors, and supply chain companies producing and supplying essential products and services in and for industries such as pharmaceutical, technology, biotechnology, healthcare, chemicals and sanitization, waste pickup and disposal, agriculture, food and beverage, transportation, energy, steel and steel products, petroleum and fuel, mining, construction, national defense, communications, as well as products used by other Essential Businesses and Operations;
  - u. **Critical labor union functions.** Labor Union essential activities including the administration of health and welfare funds and personnel checking on the well-being and safety of members providing services in Essential Businesses and Operations – provided that these checks should be done by telephone or remotely where possible;
  - v. **Hotels and motels.** Hotels and motels, to the extent used for lodging and delivery or carry-out food services; and
  - w. **Funeral services.** Funeral, mortuary, cremation, burial, cemetery, and related services.
13. **Minimum Basic Operations.** For the purposes of this Executive Order, Minimum Basic Operations include the following, provided that employees comply with Social Distancing Requirements, to the extent possible, while carrying out such operations:
- a. The minimum necessary activities to maintain the value of the business's inventory, preserve the condition of the business's physical plant and equipment, ensure security, process payroll and employee benefits, or for related functions.
  - b. The minimum necessary activities to facilitate employees of the business being able to continue to work remotely from their residences.
  - c. For retail stores, fulfilling online and telephonic orders through pick-up outside the store or delivery.
14. **Essential Travel.** For the purposes of this Executive Order, Essential Travel includes travel for any of the following purposes. Individuals engaged in any Essential Travel must comply with all Social Distancing Requirements as defined in this Section.

- a. Any travel related to the provision of or access to Essential Activities, Essential Governmental Functions, Essential Businesses and Operations, or Minimum Basic Operations.
- b. Travel to care for elderly, minors, dependents, persons with disabilities, or other vulnerable persons.
- c. Travel to or from educational institutions for purposes of receiving materials for distance learning, for receiving meals, and any other related services.
- d. Travel to return to a place of residence from outside the jurisdiction.
- e. Travel required by law enforcement or court order, including to transport children pursuant to a custody agreement.
- f. Travel required for non-residents to return to their place of residence outside the State. Individuals are strongly encouraged to verify that their transportation out of the State remains available and functional prior to commencing such travel.

15. **Social Distancing, Face Covering, and PPE Requirements.** For purposes of this Executive Order, Social Distancing Requirements includes maintaining at least six-foot social distancing from other individuals, washing hands with soap and water for at least twenty seconds as frequently as possible or using hand sanitizer, covering coughs or sneezes (into the sleeve or elbow, not hands), regularly cleaning high-touch surfaces, and not shaking hands.

- a. **Required measures.** Essential Businesses and Operations and businesses engaged in Minimum Basic Operations must take proactive measures to ensure compliance with Social Distancing Requirements, including where possible:
  - i. **Designate six-foot distances.** Designating with signage, tape, or by other means six-foot spacing for employees and customers in line to maintain appropriate distance;
  - ii. **Hand sanitizer and sanitizing products.** Having hand sanitizer and sanitizing products readily available for employees and customers;
  - iii. **Separate operating hours for vulnerable populations.** Implementing separate operating hours for elderly and vulnerable customers; and
  - iv. **Online and remote access.** Posting online whether a facility is open and how best to reach the facility and continue services by phone or remotely.
  - v. **Face Coverings and PPE.** Providing employees with appropriate face coverings and requiring that employees wear face coverings where maintaining a six-foot social distance is not possible at all times. When the work circumstances require, providing employees with other PPE in addition to face coverings.

16. **Intent of this Executive Order.** The intent of this Executive Order is to ensure that the maximum number of people self-isolate in their places of residence to the maximum extent feasible, while enabling essential services to continue, to slow the spread of COVID-19 to the greatest extent possible. When people need to leave their places of residence, whether to perform Essential Activities, or to otherwise facilitate authorized activities necessary for continuity of social and commercial life, they should at all times and as much as reasonably possible comply with Social Distancing Requirements. All provisions of this Executive Order should be interpreted to effectuate this intent. Businesses not specifically addressed by this Executive Order generally should cease

activities and reduce to Minimum Basic Operations.

17. **Enforcement.** This Executive Order may be enforced by State and local law enforcement pursuant to, *inter alia*, Section 7, Section 15, Section 18, and Section 19 of the Illinois Emergency Management Agency Act, 20 ILCS 3305.

Businesses must follow guidance provided or published by: the Office of the Governor, the Illinois Department of Commerce and Economic Opportunity, and State and local law enforcement regarding whether they qualify as Essential; and the Illinois Department of Public Health, local public health departments, and the Workplace Rights Bureau of the Office of the Illinois Attorney General with respect to Social Distancing Requirements. Pursuant to Section 25(b) of the Whistleblower Act, 740 ILCS 174, businesses are prohibited from retaliating against an employee for disclosing information where the employee has reasonable cause to believe that the information discloses a violation of this Order.

18. **No limitation on authority.** Nothing in this Executive Order shall, in any way, alter or modify any existing legal authority allowing the State or any county, or local government body from ordering (1) any quarantine or isolation that may require an individual to remain inside a particular residential property or medical facility for a limited period of time, including the duration of this public health emergency, or (2) any closure of a specific location for a limited period of time, including the duration of this public health emergency. Nothing in this Executive Order shall, in any way, alter or modify any existing legal authority allowing a county or local government body to enact provisions that are stricter than those in this Executive Order.

### Section 3. Savings clause.

If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order, which can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable. This Executive Order is meant to be read consistently with any Court order regarding this Executive Order.

  
JB Pritzker, Governor

Issued by the Governor April 30, 2020  
Filed by the Secretary of State April 30, 2020

**FILED**  
INDEX DEPARTMENT  
APR 30 2020  
IN THE OFFICE OF  
SECRETARY OF STATE





J.B. Pritzker, Governor  
Cynthia Berg, Chair  
Chimaobi Enyia, Executive Director

100 West Randolph Street, Suite 7-801, Chicago, IL 60601  
300 West Jefferson, Suite 300, Springfield, IL 62702

**Illinois Liquor Control Commission**

**COVID-19 Related Action**

**March 16, 2020**

**Updated: March 31, 2020**

**COMPLIANCE DIRECTIVE**

Due to the outbreak of COVID-19 and the declaration of a national public emergency, federal, state and local public officials have been required to take extraordinary measures to protect the health, safety and welfare of its citizens.

Pursuant in the authority vested in the Governor of the State of Illinois and pursuant to Sections 7(1), 7(2), 7(3) and 7(8) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, Illinois Governor JB Pritzker has issued Executive Order 2020-07 mandating that “all businesses in the State of Illinois that offer food or beverages for on-premises consumption—including restaurants, bars, grocery stores, and food halls—must suspend service for and may not permit on-premises consumption.” ***Executive Order 2020-07, March 16, 2020.***

In consideration of the Governor’s Executive Order, the Illinois Liquor Control Commission (“State Commission”) has the responsibility and authority to take necessary actions to protect the “health, safety, and welfare of the People of the State of Illinois.” 235 ILCS 5-1-2; 235 ILCS 5/3-12(a)(2); 235 ILCS 5/3-4. Furthermore, the State Commission has the responsibility and authority to ensure that its license holders abide by all State and Federal laws. 11 Ill. Admin. Code 100.30.

Under such responsibility and authority, the State Commission hereby issues the following Compliance Directive:

1. All alcoholic liquor license holders shall cease the sale and service of all beverages and food for the consumption on the licensed premises effective 9:00 pm on March 16, 2020 and for the duration of the Gubernatorial Disaster Proclamation. Such license holders include: On-premises and combined retailers, brew pubs, distilling pubs, wine-maker premises, all manufacturer class licenses with on-premises retailing privileges, special events retailers, special-use permit holders, and craft distilling tasting permit holders.
2. All license holders authorized by the State Commission and local liquor control commissions to sell alcoholic liquor, non-alcoholic liquor and food at retail for consumption off the licensed premises ***may conduct “in-person” sales on a “to-go” basis only but not for the consumption on the licensed premises.*** License holders that normally have this privilege include: Combined (on/off consumption) retailers, off-premises only retailers, brew pubs, distilling pubs, brewers, class 1 brewers, class 2 brewers, class 1 craft distillers, and class 2 craft distillers.

3. Subject to local ordinance, license holders with the authority to sell alcoholic liquor for off-premise consumption may conduct in-house delivery, third-party delivery, drive-through service, curbside pick-up and home delivery.
4. Licensees may permit patrons to enter licensed establishments to conduct sales for off-premises consumption if the licensees maintain a suitable environment where patrons can maintain adequate social distancing.
5. On-premises liquor license holders for hotels may continue to sell food and beverages via room service, mini-bar, and carry out.
6. On-premises license holders located at airports, hospitals and dining halls in colleges and universities are exempt from the Executive Order.
7. On-premises license holders may continue to sell growlers and crowlers for off-premises consumption under the conditions set forth for such sales in 235 ILCS 5/6-6.5 and the Executive Order.
8. Beginning March 18, 2020, caterer retailers shall not sell or serve alcoholic liquor or food at private events of fifty (50) or more guests. The return of salable beer from a caterer retailer to a distributor as a result of the policy stated herein is considered an Act of God which authorizes the return of beer under 235 ILCS 5/5-1(o).

Please refer to the State Commission Q/A Guidance for other specific questions related the Governor's Executive Order.

All agencies with law enforcement authority, including, but not limited to, Illinois Liquor Control Commission, Illinois State Police, Illinois Department of Public Health, and Local Law Enforcement will issue cease and desist notices to any business violating the terms of the Governor's Executive Order. License holders found to be in violation of the Executive Order will be required to cease actions which violate the order and will be subjected to further penalties against their liquor license.

*Chima Enyia*

Chimaobi Enyia  
Executive Director  
Illinois Liquor Control Commission





# BACP

# NOTICE: STATEWIDE CLOSURE OF RESTAURANTS AND BARS

All bars and restaurants in the state of Illinois will be closed to the public, beginning at the close of business Monday, March 16th through Monday, March 30th following Governor JB Pritzker's latest action to minimize the spread of COVID-19 in our communities. The Department of Business Affairs and Consumer Protection (BACP) is working in close partnership with Chicago's restaurant owners and entrepreneurs on how they can continue to serve our residents during this difficult time, including ensuring kitchens can safely remain open by implementing food delivery, drive-thru and carry out at local establishments.

This is a rapidly evolving situation and this document will be updated regularly with new guidance and answers to frequently asked questions regarding the Coronavirus Disease 2019 (COVID-19) impacts on the food industry. For up-to-date health guidance, please visit [www.chicago.gov/coronavirus](http://www.chicago.gov/coronavirus).

## ★ WHAT TIME IS END-OF-BUSINESS ON MONDAY FOR BARS AND RESTAURANTS?

- The mandated closure goes into effect at 9:00pm on Monday, March 16, 2020.

## ★ ARE PATRONS ALLOWED TO ENTER THE RESTAURANT TO PICK-UP FOOD AND/OR ORDER AND THEN LEAVE?

- Residents will be permitted to enter a restaurant to order food and then immediately leave upon receiving the food. Restaurant and bar owners are responsible to ensure social distancing policies are in place and that people do not congregate inside or outside. Sidewalk cafes must be closed.

## ★ WHAT TYPES OF ESTABLISHMENTS ARE INCLUDED IN THE MANDATED BAR AND RESTAURANT CLOSURE?

- Are movie theaters, bowling alleys and other entertainment venues covered by the closure?
  - The statewide closure applies to all restaurants or services that provide on-site consumption of food or beverages, including concession stands.
- Can food trucks still operate?
  - Yes, the statewide closure does not apply to City-licensed food trucks or mobile food vehicles. However, the Chicago Department of Public Health guidance on social distancing should be maintained and lines should not be permitted.
- Can residents still go to coffee shops or cafes?
  - Coffee shops and cafes are considered restaurants. There should be no onsite consumption of food or beverages at coffee shops or cafes. Delivery, drive-thru or carry-out will be permitted.
- Can residents still go to grocery stores or bakeries?
  - Bakeries and grocery stores can allow customers to enter and buy food to go. No onsite consumption of food or beverage is permitted.
- How about cafes, coffee bars, ice cream counters and other establishments that are operating within grocery stores?
  - These locations are considered restaurants as they serve on-site consumption of food or beverages. Food can only be sold to-go and for carry-out at these locations.
- Are businesses located in airports, hospitals and dining halls in colleges covered by the closure of restaurants and bars?
  - No. Businesses located in airports, hospitals and dining halls in colleges/universities are exempt from the closure of restaurants and bars. However, these establishments are encouraged to maintain an environment with adequate social distancing.

[Continued on second page](#)



**City of Chicago**  
**Department of Business Affairs and Consumer Protection**

**EXHIBIT 8**

City Hall, 121 N. LaSalle, Room 805, Chicago, IL 60602



# BACP

# NOTICE: STATEWIDE CLOSURE OF RESTAURANTS AND BARS

All bars and restaurants in the state of Illinois will be closed to the public, beginning at the close of business Monday, March 16th through Monday, March 30th following Governor JB Pritzker's latest action to minimize the spread of COVID-19 in our communities. The Department of Business Affairs and Consumer Protection (BACP) is working in close partnership with Chicago's restaurant owners and entrepreneurs on how they can continue to serve our residents during this difficult time, including ensuring kitchens can safely remain open by implementing food delivery, drive-thru and carry out at local establishments.

This is a rapidly evolving situation and this document will be updated regularly with new guidance and answers to frequently asked questions regarding the Coronavirus Disease 2019 (COVID-19) impacts on the food industry. For up-to-date health guidance, please visit [www.chicago.gov/coronavirus](http://www.chicago.gov/coronavirus).

Continued from first page

## ★ CAN RESTAURANTS AND BARS SELL AND DELIVER ALCOHOL IN CHICAGO?

- Consumption on premises-incidental activity and tavern liquor licensees in the City of Chicago can sell and deliver incidental packaged goods liquor. By definition they have local approval.
  - Liquor sales and delivery must occur during liquor sale hours as defined in the Municipal Code 4-60-130
  - Licensees must verify proof of age
  - No cash on delivery; the transaction must take place at the retail licensee
  - Only sealed packaged goods in their original container (no to-go cups) can be sold or delivered
- Additional restrictions on delivery may apply to those who are licensed by the State as brew pubs, distilling pubs and manufacturers. These businesses should contact the State Liquor Commission or visit their website for additional information. <https://www2.illinois.gov/ilcc/Pages/Home.aspx>

## ★ CAN BARS AND RESTAURANTS CONTINUE WITH PRIVATE EVENTS?

- All private events taking place at bars or restaurants are required to be postponed or cancelled as a result of the statewide mandate.

## ★ WILL CATERING STILL BE PERMITTED?

- Licensees with valid catering licenses can provide food for delivery or customer pick up.

## ★ ARE AIRPORT CONCESSIONS INCLUDED IN THE BAN?

- In order to ensure the availability of food for travelers, food concessions at O'Hare and Midway Airport are exempt from the ban. However, the Chicago Department of Aviation is taking steps to ensure social distancing policies are in place at our airports to protect the health and safety of Chicago residents and visitors.



**City of Chicago**  
**Department of Business Affairs and Consumer Protection**

City Hall, 121 N. LaSalle, Room 805, Chicago, IL 60602



Village  
of  
Woodridge

Contact: Jim Hoff,  
Public Information Officer  
(630) 719-4729  
jhoff@vil.woodridge.il.us

Website:  
<https://www.vil.woodridge.il.us/>

# A Message From Mayor Gina Cunningham

## Woodridge to Allow the Sale of Packaged Beer and Wine for Off-Premise Consumption with Curbside Food Service, Extends Business Licensees for 90-days

- Woodridge is a business-friendly community that supports businesses through a changing and uncertain economy
- Effective immediately: temporarily allow A-1 & A-3 restaurant liquor license holders to sell packaged beer and wine for off-premise consumption with to-go food orders
- Extend all business, liquor, and video gaming licenses for 90 days

Dear Neighbors,

In the recent [State of the Village address](#), I described that a key component of the Village Board's vision for 2020 is to support our business community through a changing economy. A changing economy is truer now more than ever. Woodridge is a business-friendly community, and businesses need our support through these trying times that have now been brought on by the COVID-19 pandemic. Using Emergency Executive Authority, the Village Trustees and I have decided to enact the following Village Code amendment and license extensions effective immediately:

### **1. Issue a temporary amendment to the Village Liquor Code allowing restaurants (with A-1 and A-3 licenses) to sell packaged beer and wine for off-premise consumption with to-go food orders.**

PURPOSE: These restaurant establishments are now allowed to sell **packaged wine and/or beer only in conjunction with a food order** for curbside pick-up or carryout. This temporary amendment would remain in place until the State of Illinois cancels the dine-in prohibition for restaurants and bars.

### **2. Extend all business, liquor, and video gaming licenses for 90 days – effective immediately.**

PURPOSE: This would provide Woodridge businesses – particularly our restaurants and bar/pub owners – a grace period in which they would not have to worry about the license re-application process. More importantly, these businesses would not have to pay the Village any license renewal fees and/or late fees during this 90-day extension.



Woodridge Mayor Gina Cunningham

Page 2

Woodridge to Allow the Sale of Packaged Beer and Wine for  
Off-Premise Consumption with Curbside Food Service, Extends Business Licensees for 90-days

The Village Trustees and I will reassess the situation in 90-days, and possibly consider additional extensions  
The Village Board and I encourage all of our residents to patronize our local restaurants and pubs – they  
need our help right now as a community.

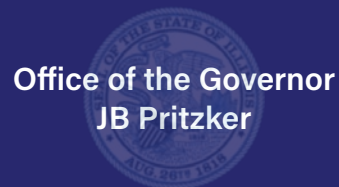
Thank you and Best Regards,

A handwritten signature in black ink, appearing to read "Gina Cunningham", with a long horizontal flourish extending to the right.

Mayor Gina Cunningham

# RESTORE ILLINOIS

**A Public Health Approach To Safely Reopen Our State**

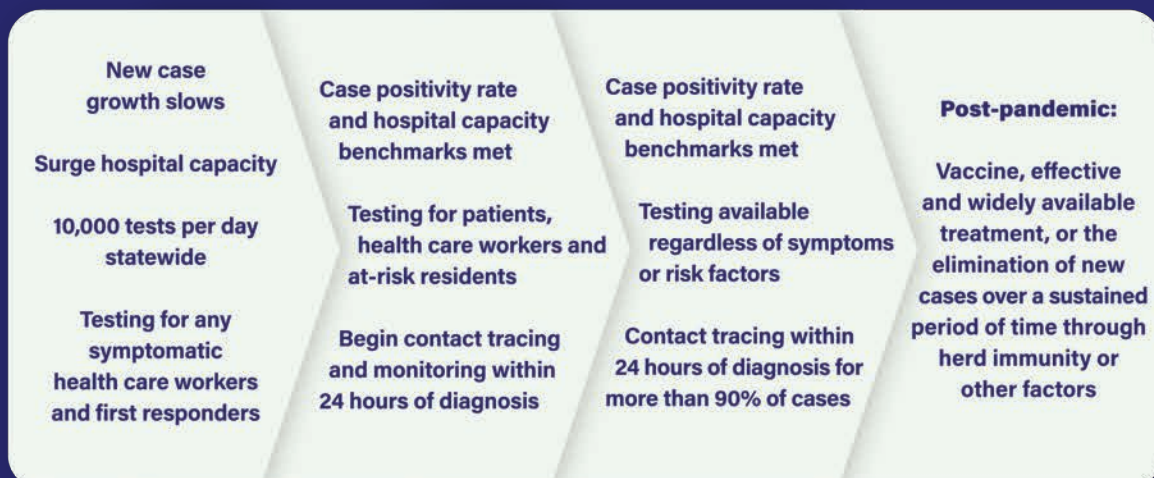


**May 5, 2020**

# RESTORE ILLINOIS

A Public Health Approach To Safely Reopen Our State

Phase 1 Rapid Spread	Phase 2 Flattening	Phase 3 Recovery	Phase 4 Revitalization	Phase 5 Illinois Restored
<p>Strict stay at home and social distancing guidelines are put in place, and only essential businesses remain open.</p> <p>Every region has experienced this phase once already and could return to it if mitigation efforts are unsuccessful.</p>	<p>Non-essential retail stores reopen for curb-side pickup and delivery.</p> <p>Illinoisans are directed to wear a face covering when outside the home and can begin enjoying additional outdoor activities like golf, boating &amp; fishing while practicing social distancing.</p>	<p>Manufacturing, offices, retail, barbershops and salons can reopen to the public with capacity and other limits and safety precautions.</p> <p>Gatherings of 10 people or fewer are allowed.</p> <p>Face coverings and social distancing are the norm.</p>	<p>Gatherings of 50 people or fewer are allowed, restaurants and bars reopen, travel resumes, child care and schools reopen under guidance from the Illinois Department of Public Health.</p> <p>Face coverings and social distancing are the norm.</p>	<p>The economy fully reopens with safety precautions continuing.</p> <p>Conventions, festivals and large events are permitted, and all businesses, schools and places of recreation can open with new safety guidance and procedures.</p>





## An Introduction



From the beginning of the new coronavirus pandemic, Illinois' response has been guided by data, science, and public health experts. As community spread rapidly increased, Governor Pritzker moved quickly to issue a Disaster Proclamation on March 9, restrict visitors to nursing homes on March 11, close bars and restaurants for on-site consumption on March 16, move schools to remote learning on March 17, and issue a Stay at Home order on March 21. This virus has caused painful, cascading consequences for everyone in Illinois, but the science has been clear: in the face of a new coronavirus with unknown characteristics and in the absence of widespread testing availability and contact tracing, mitigation and maintaining a 6-foot social distance have been the only options to reduce the spread and save as many lives as possible.

Millions of Illinoisans working together by staying at home and following experts' recommendations have proven these mitigation and social distancing measures effective so far. The result has been a lower infection rate, fewer hospitalizations, and lower number of fatalities than projected without these measures. Our curve has begun to flatten. Nevertheless, the risk of spread remains, and modeling and data point to a rapid surge in new cases if all mitigation measures were to be immediately lifted.

Now that Illinois is bending the curve, it is vitally important that we follow a safe and deliberate path forward to get our Illinois economy moving. That path forward is not what everyone wants or hopes for, but it will keep Illinoisans as safe as possible from this virus as our economy is reopening.

**Restore Illinois is about saving lives and livelihoods.** This five-phased plan will reopen our state, guided by health metrics and with distinct business, education, and recreation activities characterizing each phase. This is an initial framework that will likely be updated as research and science develop and as the potential for treatments or vaccines is realized. The plan is based upon regional healthcare availability, and it recognizes the distinct impact COVID-19 has had on different regions of our state as well as regional variations in hospital capacity. The Illinois Department of Public Health (IDPH) has 11 Emergency Medical Services Regions that have traditionally guided its statewide public health work and will continue to inform this reopening plan. For the purposes of this plan, from those 11, four health regions are established, each with the ability to independently move through a phased approach: Northeast Illinois; North-Central Illinois; Central Illinois; and Southern Illinois.



The five phases for each health region are as follows:

**Phase 1 – Rapid Spread:** The rate of infection among those tested and the number of patients admitted to the hospital is high or rapidly increasing. Strict stay at home and social distancing guidelines are put in place and only essential businesses remain open. Every region has experienced this phase once already, and could return to it if mitigation efforts are unsuccessful.

**Phase 2 – Flattening:** The rate of infection among those tested and the number of patients admitted to the hospital beds and ICU beds increases at an ever slower rate, moving toward a flat and even a downward trajectory. Non-essential retail stores reopen for curbside pickup and delivery. Illinoisans are directed to wear a face covering when outside the home and can begin enjoying additional outdoor activities like golf, boating and fishing while practicing social distancing. To varying degrees, every region is experiencing flattening as of early May.

**Phase 3 – Recovery:** The rate of infection among those surveillance tested, the number of patients admitted to the hospital, and the number of patients needing ICU beds is stable or declining. Manufacturing, offices, retail, barbershops and salons can reopen to the public with capacity and other limits and safety precautions. Gatherings limited to 10 people or fewer are allowed. Face coverings and social distancing are the norm.

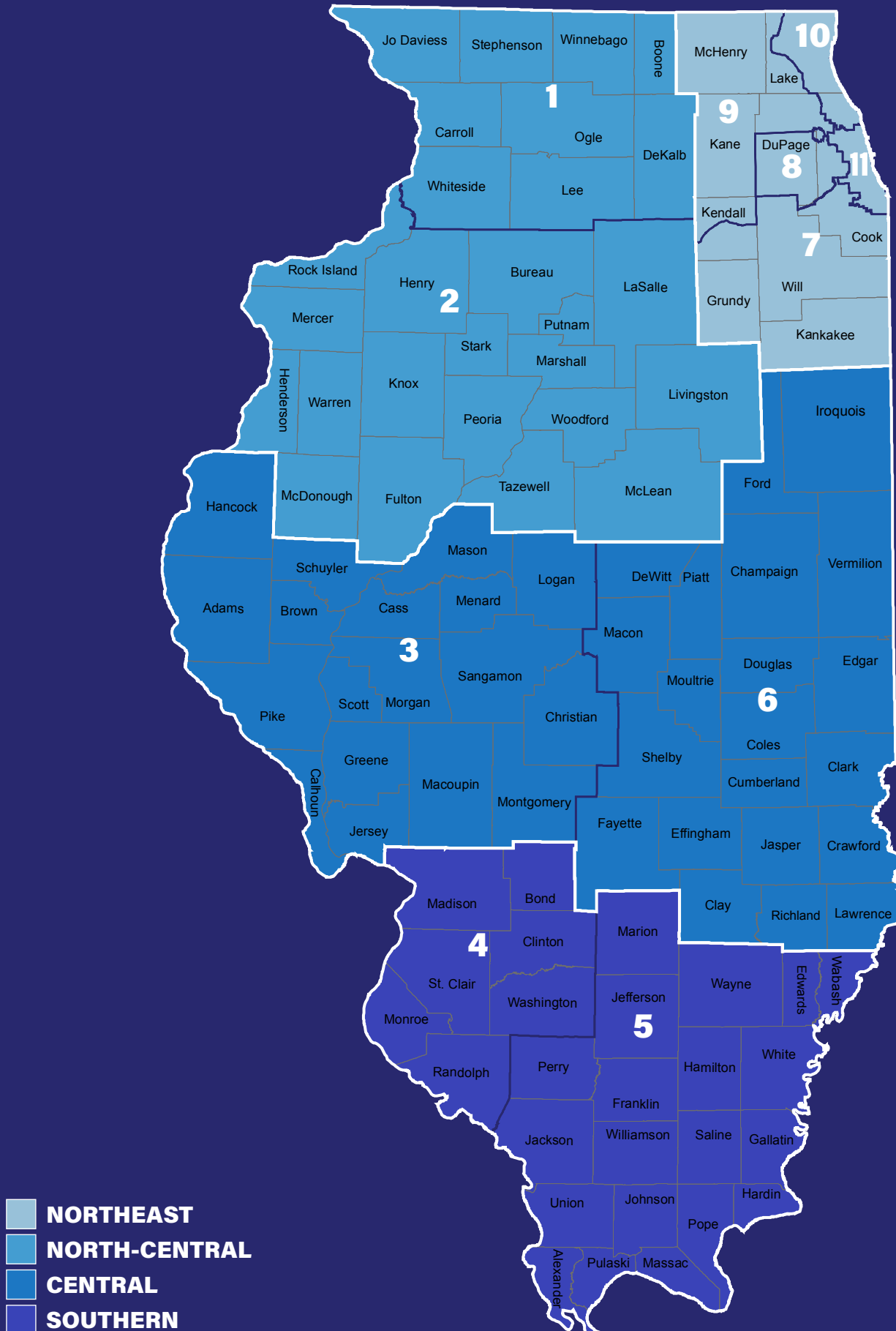
**Phase 4 – Revitalization:** The rate of infection among those surveillance tested and the number of patients admitted to the hospital continues to decline. Gatherings of 50 people or fewer are allowed, restaurants and bars reopen, travel resumes, child care and schools reopen under guidance from the Illinois Department of Public Health. Face coverings and social distancing are the norm.

**Phase 5 – Illinois Restored:** With a vaccine or highly effective treatment widely available or the elimination of any new cases over a sustained period, the economy fully reopens with safety precautions continuing. Conventions, festivals and large events are permitted, and all businesses, schools and places of recreation can open with new safety guidance and procedures in place reflecting the lessons learned during the COVID-19 pandemic.

Until COVID-19 is defeated, this plan also recognizes that just as health metrics will tell us it is safe to move forward, health metrics may also tell us to return to a prior phase. With a vaccine or highly effective treatment not yet available, IDPH will be closely monitoring key metrics to immediately identify trends in cases and hospitalizations to determine whether a return to a prior phase may become necessary.

*All public health criteria included in this document are subject to change.  
As research and data on this novel coronavirus continue to develop, this plan  
can and will be updated to reflect the latest science and data.*

# RESTORE ILLINOIS HEALTH REGIONS



## Phase 1: Rapid Spread

### WHAT THIS PHASE LOOKS LIKE

COVID-19 is rapidly spreading. The number of COVID-19 positive patients in the hospital, in ICU beds, and on ventilators is increasing. The public health response relies on dramatic mitigation measures, like stay at home orders and social distancing, to slow the spread of the virus and prevent a surge that overwhelms the health care system. With a Stay at Home order in place, only essential businesses are in operation and activities outside of the home are limited to essentials, like grocery shopping.

### WHAT'S OPEN?

**Gatherings:** Essential gatherings, such as religious services, of 10 or fewer allowed; No non-essential gatherings of any size

**Travel:** Non-essential travel discouraged

**Health care:** Emergency procedures and COVID-19 care only

**Education and child care:** Remote learning in P-12 schools and higher education; Child care in groups of 10 or fewer for essential workers

**Outdoor recreation:** Walking, hiking and biking permitted; State parks closed

#### **Businesses:**

- **Manufacturing:** Essential manufacturing only
- **"Non-essential" businesses:** Employees of "non-essential" businesses are required to work from home except for Minimum Basic Operations
- **Bars and restaurants:** Open for delivery, pickup and drive-through only
- **Entertainment:** Closed
- **Personal care services and health clubs:** Closed
- **Retail:** Essential stores are open with strict restrictions; Non-essential stores are closed

### HOW WE MOVE TO THE NEXT PHASE

#### **Cases and Capacity:**

- Slowing of new case growth
- Availability of surge capacity in adult medical and surgical beds, ICU beds, and ventilators

#### **Testing:**

- Ability to perform 10,000 tests per day statewide
- Testing available in region for any symptomatic health care workers and first responders

## Phase 2: Flattening

### WHAT THIS PHASE LOOKS LIKE

The rise in the rate of infection is beginning to slow and stabilize. Hospitalizations and ICU bed usage continue to increase but are flattening, and hospital capacity remains stable. Face coverings must always be worn when social distancing is not possible. Testing capacity increases and tracing programs are put in place to contain outbreaks and limit the spread.

### WHAT'S OPEN

**Gatherings:** Essential gatherings, such as religious services, of 10 or fewer allowed; No non-essential gatherings

**Travel:** Non-essential travel discouraged

**Health care:** Emergency and COVID-19 care continue; Elective procedures allowed once IDPH criteria met

**Education and child care:** Remote learning in P-12 schools and higher education; Child care in groups of 10 or fewer for essential workers

**Outdoor recreation:** Walking, hiking, and biking permitted; Select state parks open; Boating and fishing permitted; Golf courses open; All with IDPH approved safety guidance

#### **Businesses:**

- **Manufacturing:** Essential manufacturing only
- **"Non-essential" businesses:** Employees of "non-essential" businesses are required to work from home except for Minimum Basic Operations
- **Bars and restaurants:** Open for delivery, pickup, and drive through only
- **Personal care services and health clubs:** Closed
- **Retail:** Essential stores are open with restrictions; Non-essential stores open for delivery and curbside pickup

### HOW WE MOVE TO THE NEXT PHASE

**Cases and Capacity:** The determination of moving from Phase 2 to Phase 3 will be driven by the COVID-19 positivity rate in each region and measures of maintaining regional hospital surge capacity. This data will be tracked from the time a region enters Phase 2, onwards.

- At or under a 20 percent positivity rate and increasing no more than 10 percentage points over a 14-day period, AND
- No overall increase (i.e. stability or decrease) in hospital admissions for COVID-19-like illness for 28 days, AND
- Available surge capacity of at least 14 percent of ICU beds, medical and surgical beds, and ventilators

**Testing:** Testing available for all patients, health care workers, first responders, people with underlying conditions, and residents and staff in congregate living facilities

**Tracing:** Begin contact tracing and monitoring within 24 hours of diagnosis

### WHAT COULD CAUSE US TO MOVE BACK

IDPH will closely monitor data and receive on-the-ground feedback from local health departments and regional healthcare councils and will recommend moving back to the previous phase based on the following factors:

- Sustained rise in positivity rate
- Sustained increase in hospital admissions for COVID-19 like illness
- Reduction in hospital capacity threatening surge capabilities
- Significant outbreak in the region that threatens the health of the region

## Phase 3: Recovery

### WHAT THIS PHASE LOOKS LIKE

The rate of infection among those surveillance tested is stable or declining. COVID-19-related hospitalizations and ICU capacity remains stable or is decreasing. Face coverings in public continue to be required. Gatherings of 10 people or fewer for any reason can resume. Select industries can begin returning to workplaces with social distancing and sanitization practices in place. Retail establishments reopen with limited capacity, and select categories of personal care establishments can also begin to reopen with social distancing guidelines and personal protective equipment. Robust testing is available along with contact tracing to limit spread and closely monitor the trend of new cases.

### WHAT'S OPEN

**Gatherings:** All gatherings of 10 people or fewer are allowed with this limit subject to change based on latest data & guidance

**Travel:** Travel should follow IDPH and CDC approved guidance

**Health Care:** All health care providers are open with DPH approved safety guidance

**Education and child care:** Remote learning in P-12 schools and higher education; Limited child care and summer programs open with IDPH approved safety guidance

**Outdoor recreation:** State parks open; Activities permitted in groups of 10 or fewer with social distancing

#### **Businesses:**

- **Manufacturing:** Non-essential manufacturing that can safely operate with social distancing can reopen with IDPH approved safety guidance
- **"Non-essential" businesses:** Employees of "non-essential" businesses are allowed to return to work with IDPH approved safety guidance depending upon risk level, tele-work strongly encouraged wherever possible; Employers are encouraged to provide accommodations for COVID-19-vulnerable employees
- **Bars and restaurants:** Open for delivery, pickup, and drive through only
- **Personal care services and health clubs:** Barbershops and salons open with IDPH approved safety guidance; Health and fitness clubs can provide outdoor classes and one-on-one personal training with IDPH approved safety guidance
- **Retail:** Open with capacity limits and IDPH approved safety guidance, including face coverings

### HOW WE MOVE TO THE NEXT PHASE

**Cases and Capacity:** The determination of moving from Phase 3 to Phase 4 will be driven by the COVID-19 positivity rate in each region and measures of maintaining regional hospital surge capacity. This data will be tracked from the time a region enters Phase 3, onwards.

- At or under a 20 percent positivity rate and increasing no more than 10 percentage points over a 14-day period, AND
- No overall increase (i.e. stability or decrease) in hospital admissions for COVID-19-like illness for 28 days, AND
- Available surge capacity of at least 14 percent of ICU beds, medical and surgical beds, and ventilators

**Testing:** Testing available in region regardless of symptoms or risk factors

**Tracing:** Begin contact tracing and monitoring within 24 hours of diagnosis for more than 90% of cases in region

### WHAT COULD CAUSE US TO MOVE BACK

IDPH will closely monitor data and receive on-the-ground feedback from local health departments and regional healthcare councils and will recommend moving back to the previous phase based on the following factors:

- Sustained rise in positivity rate
- Sustained increase in hospital admissions for COVID-19 like illness
- Reduction in hospital capacity threatening surge capabilities
- Significant outbreak in the region that threatens the health of the region

## Phase 4: Revitalization

### WHAT THIS PHASE LOOKS LIKE

There is a continued decline in the rate of infection in new COVID-19 cases. Hospitals have capacity and can quickly adapt for a surge of new cases in their communities. Additional measures can be carefully lifted allowing for schools and child care programs to reopen with social distancing policies in place. Restaurants can open with limited capacity and following strict public health procedures, including personal protective equipment for employees. Gatherings with 50 people or fewer will be permitted. Testing is widely available, and tracing is commonplace.

### WHAT'S OPEN

**Gatherings:** Gatherings of 50 people or fewer are allowed with this limit subject to change based on latest data and guidance

**Travel:** Travel should follow IDPH and CDC approved guidance

**Health care:** All health care providers are open

**Education and child care:** P-12 schools, higher education, all summer programs, and child care open with IDPH approved safety guidance

**Outdoor Recreation:** All outdoor recreation allowed

#### **Businesses:**

- **Manufacturing:** All manufacturing open with IDPH approved safety guidance
- **"Non-essential" businesses:** All employees return to work with IDPH approved safety guidance; Employers are encouraged to provide accommodations for COVID-19-vulnerable employees
- **Bars and restaurants:** Open with capacity limits and IDPH approved safety guidance
- **Personal care services and health clubs:** All barbershops, salons, spas and health and fitness clubs open with capacity limits and IDPH approved safety guidance
- **Entertainment:** Cinema and theaters open with capacity limits and IDPH approved safety guidance
- **Retail:** Open with capacity limits and IDPH approved safety guidance

### HOW WE MOVE TO THE NEXT PHASE

**Post-pandemic:** Vaccine, effective and widely available treatment, or the elimination of new cases over a sustained period of time through herd immunity or other factors.

### WHAT COULD CAUSE US TO MOVE BACK

IDPH will closely monitor data and receive on-the-ground feedback from local health departments and regional healthcare councils and will recommend moving back to the previous phase based on the following factors:

- Sustained rise in positivity rate
- Sustained increase in hospital admissions for COVID-19 like illness
- Reduction in hospital capacity threatening surge capabilities
- Significant outbreak in the region that threatens the health of the region

## Phase 5: Illinois Restored

### WHAT THIS PHASE LOOKS LIKE

Testing, tracing and treatment are widely available throughout the state. Either a vaccine is developed to prevent additional spread of COVID-19, a treatment option is readily available that ensures health care capacity is no longer a concern, or there are no new cases over a sustained period. All sectors of the economy reopen with new health and hygiene practices permanently in place. Large gatherings of all sizes can resume. Public health experts focus on lessons learned and building out the public health infrastructure needed to meet and overcome future challenges. Health care equity is made a priority to improve health outcomes and ensure vulnerable communities receive the quality care they deserve.

### WHAT'S OPEN

- All sectors of the economy reopen with businesses, schools, and recreation resuming normal operations with new safety guidance and procedures.
- Conventions, festivals, and large events can take place.



**BUSINESSOWNERS**  
**TBP2 (05-15)**

## **BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**

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 H – Property Definitions.

### **A. Coverage**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### **1. Covered Property**

Covered Property includes Buildings as described under Paragraph **a.** below, Business Personal Property as described under Paragraph **b.** below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under Paragraph **2., Property Not Covered.**

**a. Buildings**, meaning the buildings and structures at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(6) If not covered by other insurance:

- (a) Additions under construction, alterations and repairs to the buildings or structures
- (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

**b. Business Personal Property** located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of described premises, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b)**;
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **A.1.b.(2)**; and
- (5) Building Glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

#### **2. Property Not Covered**

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in coverages:
  - (1) Crime Optional Coverage;
  - (2) Employee Dishonesty Optional Coverage;
- c. Contraband, or property in the course of illegal transportation or trade;

- d. Bridges, roadways, walks, pavement, driveways, parking lots, exterior nonstructurally attached concrete surfaces or other paved surfaces.
  - e. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
  - f. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs, trees, shrubs or plants (other than lawns which are part of a vegetated roof), all except:
    - (1) Coverage provided under the Outdoor Property Coverage Extension; or
    - (2) Coverage provided under the Outdoor Signs Optional Coverage; or
    - (3) Signs structurally attached to covered buildings (wiring or cable is not considered structural attachment).
  - g. Watercraft (including motors, equipment and accessories) while afloat.
  - h. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records", except as otherwise provided in this policy.
  - i. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck, or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock".
  - j. Piers, wharves and docks
  - k. Electronic Data", except as provided under Additional Coverages – Electronic Data or Additional Coverage – Equipment Breakdown. This Paragraph (k.) does not apply to your stock of prepackaged software, or to "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.
- 3. Covered Causes Of Loss**
- Direct Physical Loss unless the loss is excluded or limited under this coverage form.
- 4. Limitations**
- a. We will not pay for loss of or damage to:
    - (1) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Crime or Employee Dishonesty Optional Coverage.
  - (2) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions. This limitation does not apply to the Crime or Employee Dishonesty Optional Coverage.
  - (3) The interior of any building or structure, or to personal property in the building or structure, including business personal property, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
  - b. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:
    - (1) Glass that is part of the interior or exterior of a building or structure;
    - (2) Containers of property held for sale; or
    - (3) Photographic or scientific instrument lenses.
  - c. For loss or damage by theft, the following types of property are covered only up to the limits shown (unless a higher Limit Of Insurance is shown in the Declarations):
    - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
    - (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
    - (3) \$2,500 for patterns, dies, molds and forms.
  - d. We will pay for loss or damage to animals or pets only if caused by "specified causes of loss."

**5. Additional Coverages****a. Debris Removal**

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is 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 direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
  - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy.
  - (c) Remove any property that is Property Not Covered, Including property addressed under the Outdoor Property Coverage Extension
  - (d) Remove property of others of a type that would not be Covered Property under this policy
  - (e) Remove deposits of mud or earth from the grounds of the described premises
  - (f) Extract "pollutants" from land or water
  - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most that we will pay for the total of direct, physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to Paragraph (3)(a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property

that has sustained loss or damage. However if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

- (4) Unless a higher limit is shown in the Declarations, we will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, 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 or damage exceeds the Limit of Insurance on Covered Property that has sustained loss or damage.

- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if Paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

**(4) Example #1**

Limit of Insurance	\$200,000
Amount of Deductible	\$ 500
Amount of Loss	\$125,000
Amount of Loss Payable	\$124,500 (\$125,000-\$500)
Debris Removal Expense	\$20,000
Removal Expense Payable	\$20,000 (\$20,000 is 16% of \$125,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$124,500 + \$20,000 = \$144,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

**Example #2**

Limit of Insurance	\$200,000
Amount of Deductible	\$ 500
Amount of Loss	\$170,000
Amount of Loss Payable	\$169,500 (\$170,000-\$500)
Debris Removal Expense	\$60,000
Removal Expense Payable	
Basic Amount	\$30,500
Additional Amount	\$25,000

The basis amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows:

$\$170,000 (\$169,000 + \$500) \times .25 = \$42,500$ ; capped at \$30,500. The cap applies because the sum of the loss payable (\$169,500) and basic amount payable for debris removal expense (\$30,500) cannot exceed the Limit of Insurance (\$200,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$60,000) exceeds 25% of the loss payable plus the deductible (\$60,000 is 35.3% of \$170,000), and because the sum of the loss payable and debris removal expense (\$169,500 + \$60,000 = \$229,500) would exceed the Limit of Insurance (\$200,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$55,500; \$4,500 of the debris removal expense is not covered.

**b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$5,000 for service at each premises described in the Declarations, unless a different limit is shown in the Declarations. Such limits is the most we

will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed. This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

**d. Collapse**

The coverage provided under this Additional Coverage- Collapse applies only to an abrupt collapse as described and limited in Paragraphs d.(1) through d.(7).

- (1) For the purpose of this Additional Coverage- Collapse, abrupt collapse means an abrupt falling down or caving in of a building with the result that the building or part of the building cannot be occupied for its intended purpose
- (2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:
  - (a) Building Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - (b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - (c) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - (d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (i) A cause of loss listed in paragraphs (2)(a) or (2)(b);
    - (ii) One or more of the specified causes of loss;
    - (iii) Breakage of building glass
    - (iv) Weight of the people or personal property; or
    - (v) Weight of rain that collects on a roof



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

- (a) A building or any part of a building that is in danger of falling down or caving in
- (b) A part of a building that is standing, even if it has separated from another part of the building; or
- (c) A building that is standing or any part of a building that is standing even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion

(4) With respect to the following property:

- (a) Awnings;
- (b) Gutters and downspouts;
- (c) Yard fixtures;
- (d) Outdoor swimming pools;
- (e) Beach or diving platforms or appurtenances;
- (f) Retaining walls
- (g) Sewer and water lateral pipes;
- (h) Drainage tile; and
- (i) Septic systems.

if abrupt collapse is caused by a cause of loss listed in Paragraphs (2)(b) through (2)(d), we will pay for loss or damage to that property only if such loss or damage is a direct result of the abrupt collapse of a building insured under this policy and the property is Covered Property under this policy.

(5) If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- (a) The collapse of personal property was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d) of this Additional Coverage;
- (b) The personal property which collapses is inside a building; and
- (c) The property which collapses is not of a kind listed in Paragraph (3) above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph (4) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

(6) This Additional Coverage- Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion

(7) This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this policy.

(8) The term Covered Cause of Loss includes the Additional Coverage- Collapse as described and limited in paragraphs d.(1) through d.(7)

**e. Water Damage, Other Liquids, Powder Or Molten Material Damage**

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage.

**f. Fire Extinguishing Equipment**

Subject to the applicable Limit of Insurance, we will pay the cost to repair or replace damaged parts, including system recharge, of fire extinguishing equipment if the damage:

- (1) Results in discharge of any substance from an automatic fire protection system; or
- (2) Is directly caused by freezing.

**g. Business Income**

**(1) Business Income**

- (a) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to covered property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises. With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy;
  - (ii) Any area within the building or at the described premises if that area services, or is used to gain access to, the portion of the building which you rent lease or occupy.
- (b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.
- (c) Business Income means the:
- (i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
  - (ii) Continuing necessary operating expenses incurred.
- (2) Extended Business Income
- If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:
- (a) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
  - (b) Ends on the earlier of:
    - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
    - (ii) 60 consecutive days after the date determined in Paragraph (2)(a) above, unless a greater number of consecutive days is shown in the Declarations.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

- (3) With respect to the coverage provided in this Additional Coverage, suspension means:
  - (a) The partial slowdown or complete cessation of your business activities; or
  - (b) That a part or all of the described premises is rendered untenable if coverage for Business Income applies.
- (4) This Additional Coverage is not subject to the Limits of Insurance of **Section I – Property**.

#### **h. Extra Expense**

- (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to covered property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
  - (b) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.
- (2) Extra Expense means expense incurred:
- (a) To avoid or minimize the suspension of business and to continue "operations":
    - (i) At the described premises; or

- (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
- (b) To minimize the suspension of business if you cannot continue "operations".
- (c) To:
  - (i) Repair or replace any property; or
  - (ii) Research, replace or restore the lost information on damaged "valuable papers and records"
- (3) With respect to the coverage provided in this Additional Coverage, suspension means:
  - (a) The partial slowdown or complete cessation of your business activities; or
  - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies
- (4) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance.

We will pay for Extra Expense only to the extent it reduces the amount of loss that otherwise would have been payable under Additional Coverage g. Business Income.

**i. Customer Expense Reimbursement**

We will pay necessary costs to reimburse additional expenses incurred by your customers because your products or services, which were ordered in advance, were not available due to direct physical loss or damage to covered property at the described premises caused by a Covered Cause of Loss.

Customer expenses mean the additional cost incurred by persons for whom prearranged products or services cannot be honored. These expenses include costs to secure alternative products or services which are comparable to yours.

We will pay for expenses incurred for the period of time:

- (1) Beginning on the date of the customer's prearranged services or products are:
  - (a) scheduled to be delivered but cannot;

- (b) or are interrupted by direct physical loss or damage to covered property, whichever is later; and
- (2) Ending on the earliest of the following dates:
  - (a) the date prearranged services or products are scheduled to end;
  - (b) the date damaged property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - (c) 14 days after the date determined in (1) above.

This Additional Coverage is not subject to the Limits of Insurance.

**j. Pollutant Clean Up And Removal**

We will pay your expense 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 they are reported to us in writing within 180 days of the date on which the Covered Cause of 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 for each location under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

**k. Civil Authority**

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within the area; and



- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property

Civil Authority coverage for Business Income will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage begins.

Civil Authority coverage for necessary Extra Expense will begin immediately after the time of first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the time of that action; or
- (2) When your Civil Authority coverage for Business Income ends; whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

#### **I. Violent Acts**

- (1) If your "operations" are suspended due to "violent acts" which occur on the described premises we will pay for the actual loss of Business Income and Extra Expense you sustain. Coverage for the actual loss of Business Income under this section will begin immediately upon the suspension of your business operations and will continue for a period not to exceed a total of three consecutive weeks after coverage begins.

Coverage for necessary Extra Expense under this section will likewise begin immediately upon the suspension of your business operations and will continue only for a total of three consecutive weeks after coverage begins, or until the loss of Business Income coverage ends, whichever is longer. The coverages under this section may not be extended or repeated.

The definitions of Business Income and Extra Expense, contained in the Business Income and Extra Expense Additional Coverages section shall also apply to the additional coverages under this section.

#### **(2) Additional Definitions**

- (a) "Violent acts" means actual, attempted, or threatened acts committed with malicious intent on your "covered premises" against any person(s) that result in physical injury or death to such person(s). This does not apply to actual, attempted or threatened acts by an insured.

#### **m. Contamination**

If your "operations" are suspended due to "contamination":

- (1) We will pay for your costs to clean and sanitize your premises, machinery and equipment, and expenses you incur to withdraw or recall products or merchandise from the market. We will not pay for the cost or value of the product.

The most we will pay for any loss or damage under this Additional Coverage arising out of the sum of all such expenses occurring during each separate policy period is \$5,000; and

- (2) We will also pay for the actual loss of Business Income and Extra Expense you sustain caused by

- (a) "Contamination" that results in an action by a public health or other governmental authority that prohibits access to the described premises or production of your product.

- (b) "Contamination threat"

- (c) "Publicity" resulting from the discovery or suspicion of "contamination".

Coverage for the actual loss of Business Income under this section will begin immediately upon the suspension of your business operations and will continue for a period not to exceed a total of three consecutive weeks after coverage begins.

Coverage for necessary Extra Expense under this section will likewise begin immediately upon the suspension of your business operations and will continue only for a total of three consecutive weeks after coverage begins, or until the loss of Business Income coverage ends, whichever is longer. The coverages under this section may not be extended nor repeated. The definitions of Business Income and Extra Expense, contained in the Business Income and Extra Expense Additional Coverages section shall also apply to the additional coverages under this section.

**(3) Contamination Exclusions**

All exclusions and limitations apply except Exclusions **B.2.j.(2)** and **B.2.j.(5)**

**(4) Additional Definitions:**

- (a)** "Contamination" means a defect, deficiency, inadequacy or dangerous condition in your products, merchandise or premises.
- (b)** "Contamination threat" means a threat made by a third party against you to commit a "malicious contamination" unless the third party's demand for money or other consideration is met.
- (c)** "Malicious contamination" means an intentional, malicious and illegal altercation or adulteration of your products
- (d)** "Publicity" means a publication or broadcast by the media, of the discovery or suspicion of "contamination" at a described premise.

**n. Business Income from Dependent Properties**

- (1)** We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a "dependent property" or "secondary dependent property" caused by or resulting from any Covered Cause of Loss.

However, this Additional Coverage does not apply when the only loss at the premises of a "dependent property" or "secondary dependent property" is loss or damage to "electronic data". If the "dependent property" or "secondary dependent property" sustains loss or damage to

"electronic data" and other property, coverage under this Additional Coverage will not continue once the other property is repaired or replaced.

- (2)** We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations," in whole or in part, by using any other available:

**(a)** Source of materials; or

**(b)** Outlet for your products.

- (3)** The coverage for Business Income will begin immediately after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for necessary Extra Expense will begin immediately after the time of that action and ends:

**(a)** 3 consecutive weeks after the time of that action; or

**(b)** When your Business Income coverage ends; whichever is later.

The Business Income from Dependent Properties Additional Coverage is not subject to the Limits of Insurance.

**(4) Additional Definitions:**

**(a)** "Dependent Property" means property operated by others whom you depend on to:

**(i)** Deliver materials or services to you or to others for your account (Contributing Locations.) With respect to Contributing Locations, services does not mean water, supply services, wastewater removal services, communication supply services or power supply services;

**(ii)** Accept your products or services (Recipient Locations);

**(iii)** Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

**(iv)** Attract customers to your business (Leader Locations).

**(b)** "Secondary dependent property" means an entity which is not owned or operated by a dependent property, which:

**(i)** Delivers materials or services to a dependent property which in turn are used by the dependent property in providing materials or services to you or

(ii) Accepts materials or services from a dependent property which in turn accepts your materials or services. A road, bridge, tunnel, waterway, airfield, pipeline, or any other similar area or structure is not a secondary dependent property. Any property which delivers any of the following services is not a secondary dependent property with respect to such services:

- i. Water supply services
- ii. Wastewater removal services
- iii. Communication supply services; or
- iv. Power supply services.

The "secondary dependent property" must be located in the coverage territory of this policy.

(c) "Period of Restoration," with respect to "dependent property," means the period of time that:

- (i) Begins with the date of direct physical loss or damage caused by or resulting from a Covered Cause of Loss at the premises of the "dependent property" or secondary dependent property and
- (ii) Ends on the date when the property at the premises of the "dependent property" or secondary dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(d) The definitions of Business Income and suspension contained in the Business Income Additional Coverage also apply to this Business Income From Dependent Properties Additional Coverage.

(5) "Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) Requires any insured or others to test for, monitor, clean up, remove, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

The expiration date of this policy will not cut short the "period of restoration."

#### **o. Ordinance or Law**

(1) This Additional Coverage applies only to building or tenant's improvements and betterments insured on a replacement cost basis.

(2) If a Covered Cause of Loss occurs to covered Building property or tenant's improvements and betterments, we will pay:

(a) For loss or damage caused by enforcement of any law that:

- (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(iii) Is in force at the time of loss.

(b) The increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use law.

(c) The cost to demolish and clear the site of undamaged parts or the property caused by enforcement of the building, zoning or land use law.

(3) We will not pay for increased construction costs under this Additional Coverage:

- (a) Until the property is actually repaired or replaced, at the same premises or elsewhere; and
- (b) Unless the repairs or replacement are made as soon as reasonably possible after loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 years.

(4) We will not pay more:

(a) If the property is repaired or replaced on the same premises, than the amount you actually spend to:

- (i) Demolish and clear the site; and
- (ii) Repair rebuild or construct the property but not for more than property of the same height, floor area and style on the same premises.

- (b) The terms of this Additional Coverage apply separately to each building listed in the Declarations.
- (5) The most we will pay under this Additional Coverage, for each described premises insured under this Coverage Form, is:
  - (a) \$50,000
  - (b) The Limit of Insurance for Building if Applied to building; or
  - (c) The Limit of Insurance for Business Personal Property if applied to tenant's improvements and betterments.

Whichever is less.

The amount payable under this Additional Coverage is additional insurance.

- (6) This Additional Coverage is not subject to the terms or the Ordinance or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (7) The costs addressed in the Loss Payment Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in n.(5) of this Additional Coverage, is not subject to such limitation.

**p. Glass Expenses**

- (1) We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- (2) We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

**q. Equipment Breakdown**

- (1) We will pay for loss caused by or resulting from an "Equipment Breakdown."
- (2) The following coverages also apply to loss caused by or resulting from "Equipment Breakdown". These coverages do not provide additional amounts of insurance.
  - (a) Expediting Expenses
 

With respect to your damaged Covered Property, we will pay the "reasonable extra cost" to:

    - (i) Make temporary repairs; and

- (ii) Expedite permanent repairs or permanent replacement.

**(b) Hazardous Substances**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional costs to clean up or dispose of such property.

Additional costs mean those beyond what would have been required had no "hazardous substance" been involved.

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain, necessary Extra Expense you incur is \$100,000 or the Limit of Insurance for Building or Business Personal Property, whichever is less.

**(c) Computer Equipment**

We will pay for loss or damage caused by or resulting from "Equipment Breakdown" to "computer(s)."

**(d) Data Restoration**

We will pay for your cost to research, replace and restore data, including programs and operating systems that is lost or corrupted due to "Equipment Breakdown". The most we will pay for loss or damage under this coverage is \$100,000 or the Limit of Insurance for Business Personal Property, whichever is less.

**(e) CFC Refrigerants**

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances. This means the additional cost to do the least of the following:

- (i) Repair the damaged property and replace any lost CFC refrigerant;
- (ii) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (iii) Replace the system with one using a non-CFC refrigerant.



Additional costs mean those beyond what would have been required had no CFC refrigerant been involved.

**(3) Equipment Breakdown Exclusions**

**(a)** All exclusions and limitations apply except Exclusion **B.1.e.**, Power Failure and **B.2.m.**, Electrical Disturbance.

**(b)** The exclusions are modified as follows:

The following is added to Exclusion **B.1.g.(1)**:

However, if electrical Covered Property requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

**(c)** Coverage Extension **6.e. Valuable Papers and Records** does not apply to this Additional Coverage.

**(d)** We will not pay for loss or damage caused by or resulting from:

**(i)** Your failure to use all reasonable means to protect the "perishable stock" from damage following "Equipment Breakdown";

**(ii)** Any defect, virus, loss of data or other situation within "electronic data." But if loss or damage from "Equipment Breakdown" results, we will pay for that resulting loss or damage; or

**(iii)** Any of the following tests:

A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or

An insulation breakdown of any type of electrical equipment.

**(4) Conditions**

**(a) Suspension**

When any Covered Property is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from "Equipment Breakdown" to that Covered Property. We can do this by mailing or delivering a written notice of suspension to

your address as shown in the Declarations, or at the address where the equipment is located. Once suspended in this way, your insurance can be reinstated only by an endorsement for that Covered Property. If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

**(b) Jurisdictional Inspections**

If any property that is Covered Property requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

**(c) Environmental, Safety and Efficiency Improvements**

If Covered Property requires replacement due to "Equipment Breakdown" we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Equipment Breakdown Additional Coverage.

The most we will pay for loss or damage under this Additional Coverage is the applicable Limit of Insurance shown in the Declarations. Coverage provided under this Additional Coverage does not provide an additional amount of insurance.

**r. Service Interruption**

**(1)** We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property:

- (a) Pumping stations and water mains supplying water to the described premises.
- (b) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities. Coverage does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.
- (c) Property supplying communication services including telephone, radio, microwave or television services, to the described premises, such as:
  - Communication transmission lines;
  - Coaxial cables; and
  - Microwave radio relays except satellites.
- (d) The following types of property supplying electricity, steam or gas to the described premises:
  - Utility generating plants;
  - Switching Stations;
  - Substations;
  - Transformers; and
  - Transmission lines.

**s. Electronic Data**

- (1) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore your "electronic data" which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that "electronic data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.
- (2) Unless a higher limit is shown in the Declarations, the most we will pay under this Additional Coverage. Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$100,000 or the Limit of Insurance for

Business Personal Property, whichever is less. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

- (3) This Additional Coverage does not apply to your "stock" of prepackaged software, or to "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

**t. Interruption Of Computer Operations**

- (1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to a Covered Cause of Loss.

- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

- (a) Coverage under this Additional Coverage, Interruption

Of Computer Operations, is limited to the "specified causes of loss" and Collapse.

- (b) If the Businessowners Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.

- (3) This Additional Coverage, Interruption Of Computer Operations, will begin immediately upon suspension of "operations" and will apply for a period of up to three consecutive weeks after coverage begins.
- (4) This Additional Coverage Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the period of time stated in (3) above has not been exhausted.

- (5) Coverage for Business Income does not apply when a suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.
- (6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.
- (7) This Additional Coverage does not apply when loss or damage to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

#### 6. Coverage Extensions

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as provided below.

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, unless a higher Limit of Insurance is shown in the Declarations.

##### a. Newly Acquired Or Constructed Property

###### (1) Buildings

If this policy covers Buildings, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at the premises other than the one described, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most that we will pay for loss or damage under this Extension is \$500,000 at each building.

###### (2) Business Personal Property

If this policy covers Business Personal Property, you may extend that insurance to apply to:

- (a) Business Personal Property including such property that you newly acquire at any location you acquire; or

- (b) Business Personal Property, including such property that you acquire located at your newly constructed or acquired buildings at the location described in the Declarations.

This Extension does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

##### (3) Period of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

##### b. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities", "valuable papers and records", accounts receivable or items leased or rented to others, while it is in the course of transit or temporarily at a premises you do not own, lease, or operate. This coverage does not apply to property at contractor job sites which you do not own or lease. The most we will pay for loss or damage under this Extension is \$25,000.

##### c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), light poles, yard fixtures, decks, patios, signs (other than signs structurally attached to covered buildings), trees, shrubs and plants (other than trees, shrubs or plant which are part of a vegetated roof), including debris removal expense. Loss or damage must be caused by or resulting from any Covered Cause of Loss.



The most we will pay for loss or damage under this Extension is \$10,000 unless a higher Limit of Insurance for Outdoor Property is shown in the Declarations but not more than \$1,000 for any one tree, shrub or plant.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

**d. Outdoor Signs Away from Premises**

You may extend the insurance provided by this policy to apply to your outdoor signs away from premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

**e. Personal Effects**

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees, including temporary or leased employees. This extension does not apply to:

- (1) Tools or equipment used in your business;
- (2) Loss or damage by theft; or
- (3) Personal effects contained in a dwelling or living quarters.

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

**f. "Valuable Papers And Records"**

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore lost information on "valuable papers and records" for which duplicates do not exist.
- (2) This Coverage Extension does not apply to:
  - (a) Property held as samples or for delivery after sale;

(b) Property in storage away from the premises shown in the Declarations;

- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$5,000.

- (4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

- (5) Section **B. Exclusions** of this Coverage Form does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.c.**, Governmental Action;
- (b) Paragraph **B.1.d.**, Nuclear Hazard;
- (c) Paragraph **B.1.f.**, War And Military Action;
- (d) Paragraph **B.2.d.**, Dishonesty;
- (e) Paragraph **B.2.e.**, False Pretense;
- (f) Paragraph **B.2.k.(2)**, Errors or Omissions;
- (g) Paragraph **B.2.**; and
- (h) The Accounts Receivable and "Valuable Papers And Records" Exclusions.

**g. Accounts Receivable**

- (1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:
  - (a) All amounts due from your customers that you are unable to collect;
  - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
  - (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and

- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.
- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

- (3) Section **B. Exclusions** of this Coverage Form does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.c.**, Governmental Action;
- (b) Paragraph **B.1.d.**, Nuclear Hazard;
- (c) Paragraph **B.1.f.**, War And Military Action;
- (d) Paragraph **B.2.d.**, Dishonesty;
- (e) Paragraph **B.2.e.**, False Pretense;
- (f) Paragraph **B.3.**; and
- (g) Paragraph **B.5.** Accounts Receivable Exclusions.

#### **h. Business Personal Property Temporarily in Portable Storage Units**

- (1) You may extend the insurance that applies to Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the described premises.
- (2) The limitation under Paragraph **A.4.a.(3)** also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
  - (a) Will end 90 days after the Business Personal Property has been placed in the storage unit
  - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the Business Personal Property has been stored there for 90 or fewer days as of the time of loss or damage.

- (4) Under this Extension, the most we will pay for the total of all loss or damage to Business Personal Property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form, and does not apply to loss or damage to the storage unit itself.

#### **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. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

##### **a. Ordinance Or Law**

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

##### **b. Earth Movement**

- (1) Earthquake, including any earth sinking, rising, or shifting related to such an 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 Paragraphs (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 as 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 of or damage to Covered Property.

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

#### c. 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 policy.

#### d. 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 loss or damage caused by that fire.

#### e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure originates away from the described premises; or originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises. Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic cellular or satellite network.

#### f. 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.

#### g. 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);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment; or

- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs **B.1.g.(1)**, **B.1.g. (3)**, or **B.1.g. (4)**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **B.1.g.(1)** through **(5)**, 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, sea wall 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 **B.1.g.(1)** through **B.1.g.(5)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

#### **h. Certain Computer-Related Losses**

- (1) The failure, malfunction or inadequacy of:
  - (a) Any of the following, whether belonging to any insured or to others:
    - (i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
    - (ii) "Computer" application software or other "electronic media and records" as may be described elsewhere in this policy;
    - (iii) "Computer" operating systems and related software;
    - (iv) "Computer" networks;
    - (v) Microprocessors ("computer chips") not part of any "computer" system; or
    - (vi) Any other computerized or electronic equipment or components; or

- (b) Any other products and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **(a)** above; due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

- (2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for any potential or actual problems described in Paragraph **(1)** above.

However, if excluded loss or damage, as described in Paragraph **(1)** above results in a "Specified Cause of Loss" we will pay only for the loss or damage caused by such "Specified Cause of Loss."

We will not pay for repair, replacement or modification of any items in Paragraphs **(1)(a)** or **(1)(b)** to correct any deficiencies or change any features.

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

#### **a. Consequential Losses**

Delay, loss of use or loss of market.

#### **b. Smoke, Vapor, Gas**

Smoke, vapor or gas from agricultural smudging or industrial operations.

#### **c. Frozen Plumbing**

Water, other liquids, powder or molten material that leaks or flows from plumbing (including laterals and septic systems), heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) For plumbing within a building or structure, you do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

#### **d. Dishonesty**

Dishonest or criminal acts (including theft) by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees (including temporary or leased employees), directors, trustees, or authorized representatives whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with another party.



This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation
- (2) Does not apply to acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

**e. False Pretense**

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

**f. Exposed Property**

Rain, snow, ice or sleet to personal property in the open.

**g. Collapse**

- (1) Collapse, including any of the following conditions of property or any part of the property;
  - (a) An abrupt falling down or caving in
  - (b) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or
  - (c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion as such condition relates to paragraphs i.(1)(a) or i.(1)(b)

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss

(2) This Exclusion i. does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage Collapse; or
- (b) To collapse caused by one or more of the following:
  - (i) The "specified causes of loss"
  - (ii) Breakage of building glass

(iii) Weight of rain that collects on a roof; or

(iv) Weight of people or personal property

**h. Pollution**

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

**i. Neglect**

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

**j. Other Types Of Loss**

- (1) Wear and tear;
- (2) Rust or other corrosion, "fungi", decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if an excluded cause of loss that is listed in Paragraphs (1) through (6) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

**k. Errors Or Omissions**

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or

- (2) Processing or copying "valuable papers and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

**l. Installation, Testing, Repair**

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

**m. Electrical Disturbance**

Electrical or magnetic injury, disturbance, virus or erasure of "electronic data", except as provided for under A.5 Additional Coverages.

However, we will pay for direct loss or damage caused by lightning.

**n. Continuous Or Repeated Seepage Or Leakage of Water**

Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

3. We will not pay for loss or damage caused by or resulting from any of the following B.3.a. through B.3.c. But if an excluded cause of loss that is listed in B.3.a. through B.3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**a. Weather Conditions**

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**

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

**c. Negligent Work**

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 on or off the described premises.

**4. Business Income And Extra Expense Exclusions**

**a. We will not pay for:**

- (1) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage.

- (2) Any other consequential loss.

- b. With respect to this exclusion, suspension means:

(1) The partial slowdown or complete cessation of your business activities; and

(2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

**5. Accounts Receivable Exclusion**

The following additional exclusion applies to the Accounts Receivable Extension:

We will not pay for:

- a. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

- c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

**6. Additional Exclusion**

The following applies only to the property specified in this Additional Exclusion

**Loss or Damage to Products**

We will not pay for loss or damage to any merchandise goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the works is outsourced) in any stage of the development, production or use of the product including planning testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**C. Limits Of Insurance**

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
2. The amounts of insurance applicable to the Coverage Extensions and the following Additional Coverages apply in accordance with the terms of such coverages are in addition to the Limits of Insurance:
  - a. Fire Department Service Charge
  - b. Contamination
  - c. Ordinance or Law
  - d. Debris Removal
  - e. Pollutant Cleanup and Removal

**3. Automatic Increase**

- a. In accordance with Paragraph **C.3.b.** the Limit of Insurance for Buildings and Business Personal Property will automatically increase by 4% unless a different percentage of annual increase is shown in the Declarations.
- b. The amount of increase will be calculated as follows:
  - (1) Multiply the Building and Business Personal Property limits that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building and Business Personal Property limits, by
    - (a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 3% is .03), times
    - (b) .04 if no percentage of annual increase is shown in the Declarations; and

- (2) Multiply the number calculated in accordance with **b.(1)** by the number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Building and Business Personal Property limits, divided by 365.

Example:

If: The applicable Building limit is \$100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

$$\$100,000 \times .08 \times 146 \div 365 = \$3,200.$$

**4. Business Personal Property Limit – Seasonal Increase**

- a. **Subject to Paragraph 4.b.,** The Limit of Insurance for Business Personal Property is automatically increased by:

- (1) The Business Personal Property-Seasonal Increase percentage shown in the Declarations; or
- (2) 25% if no Business Personal Property-Seasonal Increase percentage is shown in the Declarations;

to provide for seasonal variances

- b. The increase described in Paragraph 4.a will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- (1) The 12 months immediately preceding the date the loss or damage occurs; or
- (2) The period of time you have been in business as of the date the loss or damage occurs.

**D. Deductibles**

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of
2. No deductible applies to the following Additional Coverages:
  - a. Fire Department Service Charge;
  - b. Business Income;
  - c. Extra Expense;
  - d. Civil Authority;
  - e. Customer Expense Reimbursement; and
  - f. Fire Extinguishing Equipment
  - g. Service Interruption



**E. Property Loss Conditions****1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**3. Duties In The Event Of Loss Or Damage**

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- (9) Resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

**4. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**5. Loss Payment**

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to d.(1) below.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in (2) through (9) below, we will determine the value of Covered Property as follows:
  - (1) At replacement cost without deduction for depreciation, subject to the following:

- (a) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (b) We will not pay on a replacement cost basis for any loss or damage:
  - (i) Until the lost or damaged property is actually repaired or replaced; and
  - (ii) Unless the repairs are made as soon as reasonably possible after the loss or damage.  
 However, if the cost to repair or replace the damaged property is \$2,500 or less, we will settle the loss whether or not actual repair or replacement is complete.
- (c) We will not pay more for loss or damage on a replacement cost basis than the least of:
  - (i) The Limit of Insurance that applies to the lost or damaged property.
  - (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
    1. Of comparable material and quality; and
    2. Used for the same purpose; or
  - (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.  
 If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original premises
- (2) If the Actual Cash Value option applies, as shown in the Declarations, paragraph (1) above does not apply to property specified. Instead, we will determine the value of property at actual cash value.
- (3) The following property at actual cash value:
  - (a) Used or second-hand merchandise held in storage or for sale;
  - (b) Property of others. However, if property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the valuation option indicated in the Declarations (replacement cost/actual cash value) of the property or the applicable Limit of Insurance.
  - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (d) Manuscripts;
  - (e) Works of art; collectibles, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) Tenants' Improvements and Betterments at:
  - (a) Replacement cost if you make repairs promptly.
  - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.
 If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (c) Nothing if others pay for repairs or replacement.
- (6) Applicable only to the Optional Coverages:
  - (a) "Money" at its face value; and
  - (b) "Securities" at their value at the close of business on the day the loss is discovered.

- (7) The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:
- (a) Distilled spirits;
  - (b) Wines;
  - (c) Rectified products; or
  - (d) Beer
- (8) Applicable only to Accounts Receivable:
- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
    - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (i) The amount of the accounts for which there is no loss or damage;
    - (ii) The amount of the accounts that you are able to re-establish or collect;
    - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (iv) All unearned interest and service charges.
- (9) Applicable only to Spoilage:
- (a) For "perishable stock" you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had; and
  - (b) For other "perishable stock," at Actual Cash Value.
- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
  - f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
  - g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and
    - (1) We have reached agreement with you on the amount of loss; or
    - (2) An appraisal award has been made.
  - h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a part wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy
- 6. Recovered Property**
- If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.
- 7. Resumption Of Operations**
- We will reduce the amount of your:
- a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

- b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

## 8. Vacancy

### a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in Paragraphs (a) and (b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage:

(i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

### b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## F. Property General Conditions

### 1. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### 2. Mortgageholders

a. The term "mortgageholder" includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this policy at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this policy will then apply directly to the mortgageholder.

e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

(1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgageholder at least:



(1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

### 3. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

### 4. Policy Period, Coverage Territory

Under this form:

a. We cover loss or damage commencing:

(1) During the policy period shown in the Declarations; and

(2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

b. The coverage territory is:

(1) The United States of America (including its territories and possessions);

(2) Puerto Rico; and

(3) Canada.

### G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

#### 1. Outdoor Signs

a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:

(1) Owned by you; or

(2) Owned by others but in your care, custody or control.

b. Paragraph A.3., Covered Causes Of Loss, and Section B., Exclusions, do not apply to this Optional Coverage, except for:

(1) Paragraph B.1.c., Governmental Action;

(2) Paragraph B.1.d., Nuclear Hazard; and

(3) Paragraph B.1.f., War And Military Action.

c. We will not pay for loss or damage caused by or resulting from:

(1) Wear and tear;

(2) Hidden or latent defect;

(3) Rust; or

(4) Corrosion.

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

e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

### 2. Crime

#### a. 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 (including a temporary or leased 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 property coverage, 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.

(d) Of property involved in the course of illegal transportation or trade; contraband.

(3) The most we will pay for loss in any one occurrence is:

(a) The limit shown in the Declarations for Money and Security - Inside the Premises while:

(i) In or on the described premises; or

(ii) Within a bank or savings institution; and

(b) The limit shown in the Declarations for Money and Security - Outside the Premises while anywhere else.

(4) All loss:

(a) Caused by one or more persons; or

(b) Involving a single act or series or 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.

**b. Money Orders and Counterfeit Money**

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) "Counterfeit money" that is acquired during the regular course of business.

The most we will pay for any one occurrence under this Optional Coverage is the Limit of Insurance for Money Orders and Counterfeit Money shown in the Declarations.

**c. Forgery and Alteration**

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21<sup>st</sup> Century Act, and will be treated the same as the original it replaced.
- (4) The most we will pay for any one occurrence, including legal expenses, under this Optional Coverage is the Limit of Insurance for Forgery and Alterations shown in the Declarations.

**d. Extortion**

- (1) We will pay for loss of Business Personal Property and "money" and "securities" resulting directly from "Extortion."
- (2) The most we will pay for loss in any one occurrence is the applicable Limit of Insurance for Extortion shown in the Declarations.
- (3) We will not pay for loss as specified below:

- (a) Loss resulting from any dishonest or criminal act committed by any of your employees, directors, trustees, or authorized representatives:

- (i) Acting alone or in collusion with other persons; or
- (ii) While performing services for you or otherwise.

- (b) Loss or property surrendered before a reasonable effort has been made to report an extortionist's demand to all the following:

- (i) An associate;
- (ii) The Federal Bureau of Investigation; and
- (iii) Local law enforcement authorities.

- (4) Loss is covered only if the threat to do bodily harm is first communicated to you during the Policy Period.

- (5) Loss is covered only if the capture or alleged capture takes place within the United States of America, U.S. Virgin Islands, Puerto Rico or Canada.

The Coverage Territory General Conditions does not apply.

**e. Computer Fraud**

- (1) We will pay for loss of or damage to Business Personal Property and "money" and "securities" resulting from theft (meaning any act of stealing) following and directly related to the use of any computer to fraudulently cause a transfer of property from inside the described premises or bank or savings institution to a person (other than you, any of your partners or any employee) outside the described premises.

- (2) The most we will pay for loss in any one occurrence is the Limit of Insurance for Computer Fraud shown in the Declarations.

- (3) We will not pay for loss as specified below:

- (a) Loss resulting from any dishonest or criminal act committed by any of your employees, directors, trustees or authorized representatives:

- (i) Acting alone or in collusion with other persons; or
- (ii) While performing services for you or otherwise.

- (b) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (i) An inventory computation; or
- (ii) A profit and loss computation.

- (4) Duties in the Event of Loss: If you have reason to believe that any loss of, or damage to, property involves a violation of law, you must notify law enforcement authorities.

**f. Funds Transfer Fraud**

- (1) We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".
- (2) "Fraudulent instruction" means:
- (a) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
  - (b) A written instruction (other than those described in **2.c. Forgery and Alteration**) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
  - (c) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.
- (3) "Funds" means "money" and "securities".
- (4) "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":
- (a) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
  - (b) By means of written instructions (other than those described in **2.c. Forgery and Alteration**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

- (5) The most we will pay for loss in any one occurrence is the applicable Limit of Insurance for Funds Transfer Fraud shown in the Declarations.

**3. Employee Dishonesty**

- (1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
- (a) Cause you to sustain loss or damage; and also;
  - (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
    - (i) Any employee; or
    - (ii) Any other person or organization.
- (2) We will not pay for loss or damage:
- (a) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
  - (b) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph (1)), "managers" or directors:
    - (i) Whether acting alone or in collusion with other persons; or
    - (ii) While performing services for you or otherwise.
  - (c) The only proof of which as to its existence or amount is:
    - (i) An inventory computation; or
    - (ii) A profit and loss computation
  - (d) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations



- (3) The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- (4) All loss or damage:
- (a) Caused by one or more persons; or
  - (b) Involving a single act or series of acts; is considered one occurrence.
- (5) If any loss is covered:
- (a) Partly by this insurance; and
  - (b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (6) This Optional Coverage is cancelled as to any employee immediately upon discovery by:
- (a) You; or
  - (b) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;
- of any dishonest act committed by that employee before or after being hired by you.
- (7) We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- (8) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss of damage had expired, we will pay for it under this Optional Coverage, provided:
- (a) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (b) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The Insurance under paragraph (8) above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
- (a) This Optional Coverage as if its effective date; or
  - (b) The prior insurance had it remained in effect.
- (10) With respect to Employee Dishonesty Coverage in Paragraph G.3., employee means:
- (a) Any natural person;
    - (i) While in your service or for 30 days after termination of service;
    - (ii) Who you compensate directly by salary, wages or commissions; and
    - (iii) Who you have the right to direct and control while performing services for you;
  - (b) Any natural person who is furnished temporarily to you:
    - (i) To substitute for a permanent employee as defined in Paragraph (1) above, who is on leave; or
    - (ii) To meet seasonal or short-term work load conditions;
  - (c) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (b) above;
  - (d) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
  - (e) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business

But employee does not mean:

- (i) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (ii) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

## H. Property Definitions

### 1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" does not include those used to operate production type machinery or equipment.

### 2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.

### 3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.

### 4. Equipment Breakdown" as used herein means:

#### a. Physical loss or damage both originating within:

- (1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:

- (a) Waste disposal piping;
- (b) Any piping forming part of a fire protective system; and

#### (c) Any water piping other than:

- (i) Boiler feed water piping between the feed pump and the boiler;
- (ii) Boiler condensate return piping; or

- (iii) Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes

### (2) All mechanical, electrical, electronic or fiber optic equipment: and

### b. Caused by, resulting from, or consisting of:

- (1) Mechanical breakdown; or
- (2) Electrical or electronic breakdown; or
- (3) Rupture, bursting, bulging, implosion, or steam explosion.

However, "Equipment Breakdown" will not mean:

Physical loss or damage caused by or resulting from any of the following; however if loss or damage not otherwise excluded results, then we will pay for such resulting damage.

- (1) Wear and Tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by birds, rodents or other animals.
- (6) Scratching and marring
- (7) Any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following;

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water damage, earth movement and flood."

### 5. "Extortion" means the surrender of property away from the premises as a result of a threat communicated to you to do bodily harm to you or an employee or to a relative or invitee of either, who is, or allegedly is being held captive.

### 6. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

### 7. "Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

8. "Manager" means a person serving in a directorial capacity for a limited liability company.
9. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
10. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
11. "Operations" means your business activities occurring at the described premises.
12. "Period of restoration" means the period of time that:
  - a. Begins immediately after the time of direct physical loss or damage for Business Income or Extra Expense coverage caused by or resulting from any covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standard of, or compliance with any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of property.

The expiration date of this policy will not cut short the "period of restoration".
13. "Perishable Stock" means property:
  - a. Maintained under controlled temperature or humidity conditions for preservation; and
  - b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.

Property located on buildings, in the open or in vehicles is not "perishable stock."
14. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
15. "Reasonable extra cost " means the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation, This will be a part of and not an addition to the limit per loss.
16. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other 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".
17. "Specified Causes of Loss" means the following:
 

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss of or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
  - c. Water damage means:
    - (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam and
    - (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear. But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the

Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear. To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss", such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the ground surface.

**18.** "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

**19.** "Valuable papers and records" means inscribed, printed, or written:

**(a)** Documents;

**(b)** Manuscripts; and

**(c)** Records;

including abstracts books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities".



