

Filing at a Glance

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Revisions
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Llyweyia Rawlins, Brittany Yielding
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General Information

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With this filing State Auto is implementing changes to our endorsements (and rules and rates by separate filing).

1. Plus Enhancements

We are enhancing proprietary endorsements referred to as Plus forms. These are endorsements that package together several enhancements. This revision will add additional coverages and increase the limits on others. There is no rate impact with the changes to these endorsements.

- * SP 10 06 06 07 replaces SP 10 06 01 05, Property Plus Endorsement
- * SP 10 07 06 07 replaces SP 10 07 01 05, Property Plus Extension Endorsement

2. Enhanced Equipment Breakdown Endorsement

We currently offer Equipment Breakdown as an optional coverage. This endorsement is being revised to increase the sub-limited coverages.

The rule for this coverage is amended to remove rating methodology A. All of the Equipment Breakdown coverage will be rated using rates and rules outlined in Method B. We are not changing any of the rates previously approved for Method B. We have renumbered the rules in the manual page. All policies rated under Method A will be converted to Method B upon renewal. The impact of converting policies from Method A to Method B is -40.78% on our Equipment Breakdown book of business.

* SP 00 08 06 07 replaces SP 00 08 09 02, Equipment Breakdown Coverage

3. Special Vacancy Provisions

We will also make available a new proprietary endorsement to enable stated causes of loss to apply in excess of a deductible when a building is termed to be vacant. The premium for this endorsement will require referral to the company to evaluate the exposure to determine if an additional charge will apply.

* SP 10 09 06 07, Special Vacancy Provisions -- new

4. Terrorism

We are also filing endorsements (and manual revisions by separate letter) to address the change from the original Terrorism Risk Insurance Act of 2002 (TRIA) to the changes introduced by the extension referred to as Terrorism Risk Insurance Extension Act of 2005 (TRIEA) and the possible sunset of coverage on December 31, 2007. This change addresses language amendments. Please see attached Forms List, Exhibit I.

Company and Contact

Filing Contact Information

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State Auto Insurance Companies (800) 695-9436 [Phone]
Columbus, OH 43215 (614) 719-0299[FAX]

Filing Company Information

State Auto Property and Casualty Insurance Company	CoCode: 25127	State of Domicile: Iowa
1300 Woodland Avenue	Group Code: 175	Company Type: Property and Casualty
P. O. Box 66150		
West Des Moines, IA 50265-0150	Group Name:	State ID Number:
(614) 464-5000 ext. [Phone]	FEIN Number: 57-6010814	

State Automobile Mutual Insurance Company	CoCode: 25135	State of Domicile: Ohio

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518 East Broad Street

Group Code: 175

Company Type: Property and
Casualty

P. O. Box 182822

Columbus, OH 43215

(614) 464-5000 ext. [Phone]

Group Name:

State ID Number:

FEIN Number: 31-4316080

Filing Fees

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Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Auto Property and Casualty Insurance Company	\$50.00	08-07-2007	14990120
State Automobile Mutual Insurance Company	\$0.00	08-07-2007	

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	08-08-2007	08-08-2007

Disposition

Disposition Date: 08-08-2007

Effective Date (New): 09-01-2007

Effective Date (Renewal): 10-26-2007

Status: Approved

Comment:

Rate data does NOT apply to filing.

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Forms List, Exhibit I	Approved	Yes
Form	Conditional Exclusion Of Terrorism	Approved	Yes
Form	Disclosure Of Premium And Estimated Premium For Certified Acts Of Terrorism Coverage	Approved	Yes
Form	Equipment Breakdown Coverage	Approved	Yes
Form	Property Plus Endorsement	Approved	Yes
Form	Property Plus Extension Endorsement	Approved	Yes
Form	Special Vacancy Provisions	Approved	Yes
Form	Policyholder Disclosure - Notice of Terrorism Insurance Coverage	Approved	Yes

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Conditional Exclusion Of Terrorism	IL 09 95	01 07	Endorsement/Amendment/Conditions Replaced	IL 09 95 05 04	0.00	IL 09 95 01 07.pdf
Approved	Disclosure Of Premium And Estimated Premium For Certified Acts Of Terrorism Coverage	IL 09 99	01 07	Endorsement/Amendment/Conditions Replaced	IL 09 99 05 04	0.00	IL 09 99 01 07.pdf
Approved	Equipment Breakdown Coverage	SP 00 08	06 07	Endorsement/Amendment/Conditions Replaced	SP 00 08 09 02	0.00	SP 00 08 06 07.pdf SP 00 08 09 02 comparison.pdf
Approved	Property Plus Endorsement	SP 10 06	06 07	Endorsement/Amendment/Conditions Replaced	SP 10 06 01 05	0.00	SP 10 06 06 07.pdf SP 10 06 01 05 comparison.pdf
Approved	Property Plus Extension Endorsement	SP 10 07	06 07	Endorsement/Amendment/Conditions Replaced	SP 10 07 01 05	0.00	SP 10 07 06 07.pdf SP 10 07 01 05 comparison.pdf
Approved	Special Vacancy Provisions	SP 10 09	06 07	Endorsement/Amendment/Conditions New		0.00	SP 10 09 06 07.pdf
Approved	Policyholder Disclosure - Notice of Terrorism Insurance Coverage	PN 00 83	01 07	Disclosure/ Notice Replaced	PN 00 83 08 03	0.00	PN 00 83 01 07 TRIA Disclosure.pdf PN 00 83 08 03 comparison.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONDITIONAL EXCLUSION OF TERRORISM
(RELATING TO DISPOSITION OF FEDERAL
TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM
- FARM COVERAGE PART
- STANDARD PROPERTY POLICY

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph D.) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:	
State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

- a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form, Coverage Part or Policy; or

- b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
- 2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and
 - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
- 3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.
- B. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.

"Terrorism" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or

5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Item **C.5.**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Coverage Part or Policy.

D. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

E. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of **C.1.** or **C.2.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE OF PREMIUM AND ESTIMATED PREMIUM FOR CERTIFIED ACTS OF TERRORISM COVERAGE (PURSUANT TO TERRORISM RISK INSURANCE ACT)

SCHEDULE

SCHEDULE – PART I

Terrorism Premium (Certified Acts)

(A) Premium through end of year (12/31/07) \$ See Below

(B) Estimated Premium beyond the date specified above \$ See Below
(Refer to Paragraph C. in this endorsement.)

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):

The Terrorism premiums displayed on the declaration pages of this policy represent the charge for Terrorism Coverage for the entire policy term. If the Terrorism Risk insurance Act is not continued or extended upon the 12/31/2007 expiration of the Act, A return premium may be due. The return premium will be the prorated portion from 12/31/2007 to the expiration of your policy term.

Additional information, if any, concerning the terrorism premium:

SCHEDULE – PART II

Federal share of terrorism losses: 90% Year 2006

(Refer to Paragraph **B.** in this endorsement.)

Federal share of terrorism losses: 85% Year 2007

:

(Refer to Paragraph **B.** in this endorsement.)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. For losses occurring in 2006, the federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. For losses occurring in 2007, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. If the federal program is extended beyond 2007, the applicable percentage is shown in Part II of the Schedule of this endorsement or in the policy Declarations.

C. Possibility Of Additional Or Return Premium

The premium for certified acts of terrorism coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk Insurance Act. The federal program established by the Act is scheduled to terminate at the end of the year specified in Part I of the Schedule of this endorsement, unless extended by the federal government. If the federal program terminates or if the level or terms of federal participation change, the estimated premium shown in **(B)** in Part I of the Schedule may not be appropriate.

If this policy contains a Conditional Exclusion, continuation of coverage for certified acts of terrorism, or termination of such coverage, will be determined upon disposition of the federal program, subject to the terms and conditions of the Conditional Exclusion. If this policy does not contain a Conditional Exclusion, coverage for certified acts of terrorism will continue. In either case, when disposition of the federal program is determined, we will recalculate the premium shown in **(B)** in Part I of the Schedule and will charge additional premium or refund excess premium, if indicated.

If we notify you of an additional premium charge, the additional premium will be due as specified in such notice.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS-- BASIC FORM
CAUSES OF LOSS-- BROAD FORM
CAUSES OF LOSS-- SPECIAL FORM

A. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is modified as follows:

ADDITIONAL COVERAGES

The following is added to 4. ADDITIONAL COVERAGES:

Equipment Breakdown

- (1) We will pay for loss caused by or resulting from an "accident" to "covered equipment." As used in this Additional Coverage, an "accident" means direct physical loss as follows:
 - (a) mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - (b) artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - (c) explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - (d) loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - (e) loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

- (2) Unless otherwise shown in a Schedule, the following coverages also apply to loss caused by or resulting from an "accident" to "covered equipment." These coverages do not provide additional amounts of insurance.
 - (a) **Expediting Expenses**

With respect to your damaged Covered Property, we will pay, up to \$50,000 unless otherwise shown in a Schedule, 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 and loss under Spoilage coverage, if shown as covered, is \$50,000 unless otherwise shown in a Schedule.

- (c) Spoilage
- (i) We will pay for your loss of “perishable goods” due to spoilage.
 - (ii) We will also pay for your loss of “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia.
 - (iii) We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
 - (iv) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident,” less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.
- The most we will pay for loss or damage under this coverage is \$50,000 unless otherwise shown in a Schedule.
- (d) Computer Equipment
- We will pay for loss or damage caused by or resulting from an “accident” to “computer equipment.”
- The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000 unless otherwise shown in a Schedule. Computers used primarily to control or operate “covered equipment” are not subject to this limit.
- (e) 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 an “accident.” The most we will pay for loss or damage under this coverage is \$50,000 unless otherwise shown in a Schedule.
- (f) 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 expensive 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.
- 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 and loss under Spoilage coverage, if shown as covered, is \$50,000 unless otherwise shown in a Schedule.
- (g) Service Interruption
- Any insurance provided for Business Income, Extra Expense and Spoilage is extended to apply to loss caused by or resulting from an “accident” to equipment that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

(3) CONDITIONS

(a) Suspension

When any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." 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 equipment." 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 equipment" under this endorsement 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 equipment" requires replacement due to an "accident," 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.

(d) Coinsurance

If indicated in a Schedule, specified coverages may be subject to coinsurance. We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable Deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss.

EXAMPLE 1 (Underinsurance)

When:

The value of "perishable goods" at the location of loss at the time of the "accident" is \$200,000.

The Spoilage Limit is \$100,000 @ 80% Coinsurance.

The actual loss under Spoilage Coverage resulting from the "accident" is \$40,000.

The Spoilage Deductible is \$5,000.

Step 1: $\$200,000 \times 80\% = \$160,000$

Step 2: $\$100,000 / \$160,000 = .625$

Step 3: $\$40,000 \times .625 = \$25,000$

Step 4: $\$25,000 - \$5,000 = \$20,000$

The total Spoilage loss recovery, after deductible, would be \$20,000. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE 2 (Adequate insurance)

When:

The value of "perishable goods" at the location of loss at the time of the "accident" is \$100,000.

The Spoilage Limit is \$100,000 @ 80% Coinsurance.

The actual loss under Spoilage Coverage resulting from the "accident" is \$40,000.

The Spoilage Deductible is \$5,000.

Step 1: $\$100,000 \times 80\% = \$80,000$

Step 2: $\$100,000 / \$80,000 = 1.25$

Coinsurance does not apply.

Step 3: $\$40,000 - \$5,000 = \$35,000$

The total Spoilage loss recovery, after deductible, would be \$35,000.

(4) DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision D. DEDUCTIBLE is deleted and replaced with the following:

If deductibles vary by type of "covered equipment" and more than one type of equipment is involved in any "one accident," the highest deductibles will apply.

(a) Direct and Indirect Coverages

Unless otherwise shown in the Schedule, the Direct Coverages Deductibles apply to all loss or damage covered by this endorsement, with the exception of those coverages subject to the Indirect Coverages Deductibles as noted below.

Unless more specifically indicated in the Schedule, the Indirect Coverages Deductibles apply to Business Income and Extra Expense.

(b) Application of Deductibles

(i) Dollar Deductibles

We will not pay for loss or damage resulting from any "one accident" until the amount of loss or damage exceeds the applicable Deductible shown in the Schedule. We will then pay the amount of loss or damage in excess of the applicable Deductible, up to the applicable Limit of Insurance, after any deduction required by the Coinsurance condition or the Agreed Value Optional Coverage.

(ii) Time Deductible

If a time deductible is shown in the Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours

(iii) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned had no "accident" occurred during the period of interruption of business divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to all locations included in the valuation of the loss.

The number indicated in the Schedule shall be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

(iv) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss or damage (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

(5) DEFINITIONS

(a) "Boilers and Vessels" means:

- (i) Any boiler, including attached steam, condensate and feedwater piping; and
- (ii) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

(b) "Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including "media" and peripherals used in conjunction with such equipment.

(c) "Covered equipment," unless otherwise specified in a Schedule, means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

(d) "Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

(e) "Media" means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.

(f) "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

(g) "Perishable Goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

(h) "Production Machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

B. THE CAUSES OF LOSS – BASIC FORM, BROAD FORM or SPECIAL FORM is modified as follows:

- (1) All exclusions and limitations apply except:
 - (a) In the Causes of Loss-- Special Form:
 - (i) Exclusions B.2.a., B.2.d.(6) and B.2.e.; and
 - (ii) Limitations C.1.a. and C.1.b.
 - (b) In the Causes of Loss-- Broad Form: Exclusions B.2.a., B.2.b. and B.2.c.
 - (c) In the Causes of Loss-- Basic Form: Exclusions B.2.a., B.2.d. and B.2.e.
- (2) The exclusions are modified as follows:
 - (a) If the Causes of Loss -- Basic Form or Causes of Loss -- Broad Form applies, the following is added to Exclusion B.2.:

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if loss or damage from an "accident" results, we will pay for that resulting loss or damage.
 - (b) The following is added to Exclusion B.1.g.(1):

However, if electrical "covered equipment" 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) If the Causes of Loss—Special Form applies, as respects this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in an "accident," we will pay for the loss or damage caused by that "accident."
- (3) None of the following is "covered equipment":
 - (a) structure, foundation, cabinet, compartment or air supported structure or building;
 - (b) insulating or refractory material;
 - (c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
 - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (e) vehicle, aircraft, floating vessel or any equipment mounted on such vehicle, aircraft or floating vessel. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power supplier will not be considered a vehicle, aircraft or floating vessel;
 - (f) dragline, excavation or construction equipment; or
 - (g) equipment manufactured by you for sale.
- (4) We will not pay under this endorsement for loss or damage caused by or resulting from:
 - (a) your failure to use all reasonable means to protect the "perishable goods" from damage following an "accident";
 - (b) any defect, virus, loss of data or other situation within "media." But if loss or damage from an "accident" results, we will pay for that resulting loss or damage; or
 - (c) any of the following tests:

a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
an insulation breakdown test of any type of electrical equipment.

- (5) With respect to Service Interruption coverage and, if shown as covered, Spoilage coverage, we will also not pay for loss or damage caused by or resulting from: fire; lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing or collapse.
- (6) With respect to Service Interruption coverage and, if shown as covered, Business Income and Extra Expense coverages, we will also not pay for delay in resuming operations due to the need to reconstruct or reinput data or programs on "media."

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

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS-- BASIC FORM
CAUSES OF LOSS-- BROAD FORM
CAUSES OF LOSS-- SPECIAL FORM

A. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is modified as follows:

ADDITIONAL COVERAGES

The following is added to 4. ADDITIONAL COVERAGES:

Equipment Breakdown

- (1) We will pay for loss caused by or resulting from an "accident" to "covered equipment." As used in this Additional Coverage, an "accident" means direct physical loss as follows:
 - (a) mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - (b) artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - (c) explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - (d) loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - (e) loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

- (2) Unless otherwise shown in a Schedule, the following coverages also apply to loss caused by or resulting from an "accident" to "covered equipment." These coverages do not provide additional amounts of insurance.
 - (a) Expediting Expenses
With respect to your damaged Covered Property, we will pay, up to ~~\$25,000~~50,000 unless otherwise shown in a Schedule, 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 and loss under Spoilage coverage, if shown as covered, is ~~\$25,000~~50,000 unless otherwise shown in a Schedule.

(c) Spoilage

- (i) We will pay for your loss of “perishable goods” due to spoilage.
- (ii) We will also pay for your loss of “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia.
- (iii) We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (iv) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident,” less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss or damage under this coverage is ~~\$25,000~~50,000 unless otherwise shown in a Schedule.

(d) Computer Equipment

We will pay for loss or damage caused by or resulting from an “accident” to “computer equipment.”

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is ~~\$25,000~~50,000 unless otherwise shown in a Schedule. Computers used primarily to control or operate “covered equipment” are not subject to this limit.

(e) 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 an “accident.” The most we will pay for loss or damage under this coverage is ~~\$25,000~~50,000 unless otherwise shown in a Schedule.

(f) 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 expensive 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.

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 and loss under Spoilage coverage, if shown as covered, is ~~\$25,000~~50,000 unless otherwise shown in a Schedule.

(g) Service Interruption

Any insurance provided for Business Income, Extra Expense and Spoilage is extended to apply to loss caused by or resulting from an “accident” to equipment that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

(3) CONDITIONS

(a) Suspension

When any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." 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 equipment." 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 equipment" under this endorsement 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 equipment" requires replacement due to an "accident," 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.

(d) Coinsurance

If indicated in a Schedule, specified coverages may be subject to coinsurance. We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable Deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss.

EXAMPLE 1 (Underinsurance)

When:

The value of "perishable goods" at the location of loss at the time of the "accident" is \$200,000.

The Spoilage Limit is \$100,000 @ 80% Coinsurance.

The actual loss under Spoilage Coverage resulting from the "accident" is \$40,000.

The Spoilage Deductible is \$5,000.

Step 1: $\$200,000 \times 80\% = \$160,000$

Step 2: $\$100,000 / \$160,000 = .625$

Step 3: $\$40,000 \times .625 = \$25,000$

Step 4: $\$25,000 - \$5,000 = \$20,000$

The total Spoilage loss recovery, after deductible, would be \$20,000. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE 2 (Adequate insurance)

When:

The value of "perishable goods" at the location of loss at the time of the "accident" is \$100,000.

The Spoilage Limit is \$100,000 @ 80% Coinsurance.

The actual loss under Spoilage Coverage resulting from the "accident" is \$40,000.

The Spoilage Deductible is \$5,000.

Step 1: $\$100,000 \times 80\% = \$80,000$

Step 2: $\$100,000 / \$80,000 = 1.25$

Coinsurance does not apply.

Step 3: $\$40,000 - \$5,000 = \$35,000$

The total Spoilage loss recovery, after deductible, would be \$35,000.

(4) DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision D. DEDUCTIBLE is deleted and replaced with the following:

If deductibles vary by type of "covered equipment" and more than one type of equipment is involved in any "one accident," the highest deductibles will apply.

(a) Direct and Indirect Coverages

Unless otherwise shown in the Schedule, the Direct Coverages Deductibles apply to all loss or damage covered by this endorsement, with the exception of those coverages subject to the Indirect Coverages Deductibles as noted below.

Unless more specifically indicated in the Schedule, the Indirect Coverages Deductibles apply to Business Income and Extra Expense.

(b) Application of Deductibles

(i) Dollar Deductibles

We will not pay for loss or damage resulting from any "one accident" until the amount of loss or damage exceeds the applicable Deductible shown in the Schedule. We will then pay the amount of loss or damage in excess of the applicable Deductible, up to the applicable Limit of Insurance, after any deduction required by the Coinsurance condition or the Agreed Value Optional Coverage.

(ii) Time Deductible

If a time deductible is shown in the Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours

(iii) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned had no "accident" occurred during the period of interruption of business divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to all locations included in the valuation of the loss.

The number indicated in the Schedule shall be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

(iv) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss or damage (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

(5) DEFINITIONS

(a) "Boilers and Vessels" means:

- (i) Any boiler, including attached steam, condensate and feedwater piping; and
- (ii) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

(b) "Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including "media" and peripherals used in conjunction with such equipment.

(c) "Covered equipment," unless otherwise specified in a Schedule, means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

(d) "Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

(e) "Media" means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.

(f) "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

(g) "Perishable Goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

(h) "Production Machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.

B. THE CAUSES OF LOSS – BASIC FORM, BROAD FORM or SPECIAL FORM is modified as follows:

- (1) All exclusions and limitations apply except:
 - (a) In the Causes of Loss-- Special Form:
 - (i) Exclusions B.2.a., B.2.d.(6) and B.2.e.; and
 - (ii) Limitations C.1.a. and C.1.b.
 - (b) In the Causes of Loss-- Broad Form: Exclusions B.2.a., B.2.b. and B.2.c.
 - (c) In the Causes of Loss-- Basic Form: Exclusions B.2.a., B.2.d. and B.2.e.
- (2) The exclusions are modified as follows:
 - (a) If the Causes of Loss -- Basic Form or Causes of Loss -- Broad Form applies, the following is added to Exclusion B.2.:

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if loss or damage from an "accident" results, we will pay for that resulting loss or damage.
 - (b) The following is added to Exclusion B.1.g.(1):

However, if electrical "covered equipment" 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) If the Causes of Loss—Special Form applies, as respects this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in an "accident," we will pay for the loss or damage caused by that "accident."
- (3) None of the following is "covered equipment":
 - (a) structure, foundation, cabinet, compartment or air supported structure or building;
 - (b) insulating or refractory material;
 - (c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
 - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (e) vehicle, aircraft, floating vessel or any equipment mounted on such vehicle, aircraft or floating vessel. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power supplier will not be considered a vehicle, aircraft or floating vessel;
 - (f) dragline, excavation or construction equipment; or
 - (g) equipment manufactured by you for sale.
- (4) We will not pay under this endorsement for loss or damage caused by or resulting from:
 - (a) your failure to use all reasonable means to protect the "perishable goods" from damage following an "accident";
 - (b) any defect, virus, loss of data or other situation within "media." But if loss or damage from an "accident" results, we will pay for that resulting loss or damage; or
 - (c) any of the following tests:

a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
an insulation breakdown test of any type of electrical equipment.

- (5) With respect to Service Interruption coverage and, if shown as covered, Spoilage coverage, we will also not pay for loss or damage caused by or resulting from: fire; lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing or collapse.
- (6) With respect to Service Interruption coverage and, if shown as covered, Business Income and Extra Expense coverages, we will also not pay for delay in resuming operations due to the need to reconstruct or reinput data or programs on "media."

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

Property Plus Endorsement

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CAUSES OF LOSS – SPECIAL FORM
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
 BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as shown:

1. Paragraph A.1.a.(4)(a) is revised to read, “Fire detection and extinguishing equipment”.
2. The provision relating to “within 100 feet of the described premises” contained in sections A.1.a.(5)(b), A.1.b., A.1.c.(2), and the first paragraph of A.5. are revised to read “within 500 feet of the described premises.”
3. “Signs (other than signs attached to buildings)” is deleted from Property Not Covered, section A.2.q.(2).
4. The following Additional Coverage, Coverage Extensions, Limits of Insurance, Loss Conditions and Optional Coverages in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM are amended as shown:

Section	Coverage Description	The most we will pay provision is increased to
A.4.a.(4)	Limits of Insurance – Debris Removal	\$50,000
A.4.c.	Fire Department Service Charge	\$ 3,000
A.4.f.(4)	Electronic Data	\$5,000
A.5.a.(1)	Newly Acquired or Constructed Property – Building	\$1,000,000
A.5.a.(2)	Newly Acquired or Constructed Property – Your Business Personal Property	\$ 500,000
A.5.a.(3)(b)	“30 days” is replaced by “90 days”	
A.5.b.	Personal Effects and Property of Others	\$25,000
A.5.c. (4)	Valuable Papers and Records (Other Than Electronic Data)	\$15,000
A.5.d.	Property Off Premises	
A.5.d.(1)	Your Covered Property is amended to include property in the care of salespersons	
A.5.d.(2)	This paragraph is deleted.	
A.5.d.(3)	This limit is increased to:	\$25,000
A.5.e.	Paragraph A.5.e. is deleted; For coverage on Outside Signs (A.5.j.) and Outdoor Property (A.6.g.) see the referenced paragraphs in this endorsement.	
E.7.b.	Valuation – This provision is changed to read “\$5,000 or less”	

5. The following coverages are added to Additional Coverages under section A.4.:

- g. Arson and Theft Information.** We will pay the expenses to provide a reward for information leading to:
 - (1) An arson conviction in connection with a covered fire; or
 - (2) A conviction in connection with theft of Your Business Personal Property.
 Costs incurred in advertising the reward are included. The most we will pay under this provision is \$5,000. This limit applies per occurrence regardless of the number of persons providing information. No deductible applies to this additional coverage.
- h. Brands and Labels.** If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:
 - (1) Stamp “salvage” on the merchandise or its containers, if the stamp will not physically damage the merchandise; or

(2) Remove the brands and labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity prescribed in h.(1) or h.(2) above. But the total we pay for these costs and the value of the damage property will not exceed the applicable Limit of Insurance on such property.

i. Business Personal Property Limit – Seasonal Automatic Increase. The limit of insurance for Your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the limit of insurance shown for Your 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.

j. Outside Signs. You may extend the insurance provided by this Coverage Form to apply to your outside signs, whether or not such signs are attached to buildings. Outside signs are insured against all causes of loss as defined in the Cause of Loss – Special Form.

The provisions related to outdoor signs attached to buildings in item C. Limits of Insurance do not apply.

The most we will pay under this Additional Coverage is \$10,000 in any one occurrence.

k. Fire Extinguisher Recharge. We will pay for your expense to recharge portable fire extinguishers used to fight a fire at the premises described in the Declarations or at immediately adjacent premises that expose your property to loss. The most we will pay under this provision is \$5,000. No deductible applies to this additional coverage.

l. Inflation Guard. The Limits of Insurance for Buildings and Your Business Personal Property under the policy to which this endorsement is attached will automatically increase by an annual percentage of 4%. The amount of increase will be:

(1) The Limit of insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times

(2) 4%, times

(3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance divided by 365.

6. The following are added to the Coverage Extensions under Section A.5.

g. Outdoor Property. You may extend the insurance provided by this Coverage form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants resulting from any of the “specified causes of loss” as defined in the Causes of Loss – Special Form. The most we will pay for loss or damage under this Additional Coverage is \$10,000, but not more than \$1,000 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

h. Accounts Receivable. You may extend the insurance that applies to Your Business Personal Property to apply to accounts receivable. We will pay:

(1) All amounts due you from your customers that you are unable to collect;

(2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

(3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and

(4) Other reasonable expenses that you incur to reestablish the records of your accounts receivable that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable. This insurance applies to accounts receivable while:

(a) On premises scheduled in the Declarations of this policy;

(b) While being conveyed outside the premises; or

(c) While temporarily at other premises.

We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

(1) Programming errors or faulty machine instructions; or

(2) Faulty installation or maintenance of data processing equipment or component parts,
But we will pay for direct loss or damage caused by lightning.

The most we will pay under this Extension is \$25,000 at each described premises.

- i. Back Up of Sewers or Drains. You may extend the insurance that applies to property covered by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to loss or damage to your property caused by water that:

- (1)** Backs up through sewers or drains; or
(2) Enters into and overflows from within a:
(a) Sump pump;
(b) Sump pump well; or
(c) Other type system;
designed to remove subsurface water from the foundation area.

The most we will pay for loss or damage under this Extension in any one occurrence is \$10,000 at each location shown in the Declarations. The most we will pay for such loss or damage in any one occurrence at all locations shown in the Declarations is \$50,000.

- j. Business Income and Extra Expense. We will pay for the actual loss of Business Income , including "rental value" you sustain and Extra Expense you incur 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 property at the premises described in the Declarations. 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 500 feet of the site at which the described premises are located. 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; and
(ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

(1) The most we will pay for loss or damage under this Extension in one occurrence is \$50,000.

(2) Business Income means the:

- (a)** Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
(b) Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

(3) Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (a)** Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location;
(b) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have payable under this coverage.

(4) "Operations" means:

- (a)** Your business activities occurring at the described premises; and
(b) The tenantability of the described premises.

(5) "Rental value" means Business Income that consists of:

- (a)** Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
(b) Continuing normal operating expenses incurred in connection with that premises, including:

- (i) Payroll; and
- (ii) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

(6) "Period of restoration" means the period of time that:

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

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

- (i)** Regulates the construction, use or repair, or requires the tearing down of any property; or
- (ii)** Requires any insured or others to test for, monitor, clean up, remove, contain, 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."

(7) "Suspension" means:

- (a)** The slowdown or cessation of your business activities; or
- (b)** That a part of all of the described premises is rendered untenable

k. Claim Data Expense. You may extend the insurance provided by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to the expense you incur in preparing claim data when we require it. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of the loss.

The most we will pay for preparation of claim data under this Extension is \$5,000. We will not pay for any expenses billed by and payable to insurance adjusters or attorneys or any costs as provided in the Loss Condition Appraisal.

l. Consequential Damage. You may extend the insurance that applies to Your Business Personal Property to apply to the consequential loss of your undamaged product part or parts. Consequential damage means a part or parts of your product are physically lost or damaged by a covered cause of loss causing the part or parts that are undamaged to be unmarketable as a complete product. The most we will pay for loss or damage under this Extension is \$25,000 in any one occurrence.

m. Credit Card Slips. You may extend the insurance that applies to Your Business Personal Property to apply to amounts you are unable to collect due to loss of or damage to credit card slips while located at the described premises as a result of a Covered Cause of Loss.

It is your responsibility to establish the amount of the loss under this Extension. If that is not possible, the amount of loss will be determined as follows:

- (1)** If you have been in business for more than twelve months at the location of the loss, one-thirtieth (1/30) of the average monthly amount of credit card slips will be considered as the average daily credit card slips for that location. The twelve months immediately preceding the discovery of the loss will be used to determine the average monthly amount.
- (2)** If you have been in business for less than twelve months at the location of the loss, the average daily credit card slips shall be one-thirtieth (1/30) of the average monthly amount of credit card slips for the number of months you have been in business at that location.
- (3)** The average daily credit card slips will be multiplied by the number of days for which slips are lost to determine the amount of the loss, subject to the maximum limit indicated below.

The most we will pay as a result of loss or damage to credit card slips under this Extension is \$5,000. No deductible applies to this Extension.

n. Difference In Value – Leased Equipment. You may extend the insurance that applies to Your Business Personal Property to cover the difference between the amount due under a lease agreement on covered personal property on the described premises and the replacement cost or actual cash value of that leased personal property.

The most we will pay under this Extension is the greater of the:

- (1) Amount due under the terms of the lease to which your business personal property is subject, but not to include:
 - (a) Overdue lease payments;
 - (b) Financial penalties imposed under the lease due to excessive use or abnormal wear and tear; or
 - (c) Security deposits not refunded by the lessor; or
 - (2) Replacement cost if that is shown in the declarations as applying to Your Business Personal Property; or
 - (3) Actual cash value if that is shown in the declarations as applying to Your Business Personal Property.
- o.** Employee Theft. You may extend the insurance that applies to Your Business Personal Property to apply to loss of and or damage to “money”, “securities” and “other property” resulting directly from “theft” committed by an “employee”, whether identified or not, acting alone or in collusion with other persons.
- (1) We will not pay for loss as specified below:
 - (a) Item B.1.h., Exclusions, in the CAUSES OF LOSS – SPECIAL FORM, is replaced by the following: Loss resulting from “theft” or any other dishonest act committed by:
 - (i) You; or
 - (ii) Any of your partners or members; whether acting alone or in collusion with other persons.
 - (b) Loss caused by any “employee” of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation; or
 - (c) 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.
 However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.
 - (d) Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
 - (e) Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.
 - (f) Loss that is an indirect result of any act or “occurrence” covered by this insurance.
 - (g) Expenses related to any legal action.
 - (h) Loss caused by any “employee” immediately upon discovery by:
 - (i) You; or
 - (ii) Any of your partners, members, managers, officers, directors or trustees not in collusion with the “employee”; of “theft” or any other dishonest act committed by the “employee” whether before or after becoming employed by you.
 - (2) “Employee”
 - (a) Means 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 (a) above, who is on leave; or
 - (ii) To meet seasonal or short-term work load conditions;

While that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;

- (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 define 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 the premises.
 - (f) "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 scope of the usual duties of an "employee."
- (3) "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.
- (4) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.
- (5) "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include "money".
- (6) "Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the insured.

The most we will pay for loss or damage under this Extension is \$5,000 in any one occurrence.

No deductible applies to this Extension.

"Occurrence" means all loss caused by, or involving, one or more "employees," whether the result of a single act or a series of acts.

- p. Fine arts. You may extend coverage that applies to Your Business Personal Property to cover loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art or rarity, having historical values or artistic merit. This Extension is subject to the following:
- (1) Loss or damage was caused by a Covered Cause of Loss;
 - (2) The most we will pay for loss or damage under this Extension is \$25,000 at each described premises;
 - (3) Item 2.b. in Section C., Limitations, in the CAUSES OF LOSS – SPECIAL FORM, pertaining to breakage, does not apply to this coverage; and
 - (4) The following is added as item f. to paragraph 7, Valuation, of Section E. Loss Conditions, in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM: Fine Arts at market value at the time of loss or damage.
- q. Forgery or Alteration. You may extend the insurance that applies to Your Business Personal Property to loss resulting directly from "forgery" or alteration of, any checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are
- (1) Made or drawn by or drawn upon you; or
 - (2) Made or drawn by one acting as your agent;
- Or that are purported to have been so made or drawn.

If you are sued for refusing to pay any instrument covered in the paragraph above, 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 and pay in that defense.

“Forgery” means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one’s own name signed with or without authority, in any capacity, for any purpose.

“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.

The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$5,000.

- r. **Lock Replacement.** You may extend the insurance that applies to Covered Property to pay for expenses incurred to replace door locks or tumblers of your described premises due to theft of your door keys. Item 1.e. in Section C., Limitations, in the CAUSES OF LOSS – SPECIAL FORM, shall not apply to this coverage. The most we will pay under this Extension is \$1,000 in any one occurrence. A \$100 deductible applies to this Extension.
- s. **Money and Securities.** You may extend the insurance that applies to Your Business Personal Property to apply to loss of “money”, “securities”, stamps or lottery tickets held for sale, and “other property”. The most we will pay for loss resulting directly from “theft”, disappearance or destruction under this Extension is:
 - (1) \$10,000 per occurrence for money, securities, stamps and lottery tickets held for sale while located at the described premises; or
 - (2) \$10,000 per occurrence for money, securities, stamps and lottery tickets held for sale, and “other property” while being conveyed outside the described premises by you, your officers, your partners or your employees. However, coverage for “other property” is limited to loss or damage resulting from an actual or attempted “robbery”.
 - (3) “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.

“Other property” means any tangible property other than “money” and “securities” that has intrinsic value but does not include any property excluded under this insurance.

“Robbery” means the unlawful taking of property from the care and custody of a person by one who has:

- (a) Caused or threatened to cause that person bodily harm; or
- (b) Committed an obviously unlawful act witnessed by that person.

“Securities” means negotiable and nonnegotiable instruments or contracts representing either “money” or property and includes:

- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include “money”.

“Theft” means the unlawful taking of “money”, “securities”, or “other property” to the deprivation of the insured.

- t. **Money Orders and Counterfeit Paper Currency.** You may extend the insurance that applies to Your Business Personal Property to 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” paper currency that is acquired during the regular course of business.“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.

“Counterfeit” means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

The most we will pay for any loss under this Extension is \$2,000.

- u. Ordinance or Law. You may extend the insurance that applies to Your Building only if both (1) and (2) below are satisfied and are then subject to the qualifications set forth in (3) as follows:

(1) The ordinance or law:

- (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (b) Is in force at the time of loss.

But this coverage extension applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this coverage extension.

- (2) (a) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- (c) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
- (3) In the situation described in (2)(b) above, we will not pay the full amount of loss otherwise payable under the terms of this coverage extension. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this coverage extension.

(4) We will not pay under this coverage extension:

- (a) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by “pollutants” or due to the presence, growth, proliferation, spread or any activity of “fungus”, wet or dry rot or bacteria; or
- (b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”, “fungus”, wet or dry rot or bacteria.

(5) With respect to the building that has sustained covered direct physical damage, we will pay:

- (a) The loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.
- (b) The cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property;
- (c) The increased cost to:
 - (i) Repair or reconstruct damaged portions of that building; and/or
 - (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

- (ii)** We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

When a building is damaged or destroyed and this additional coverage applies to that building in accordance with (c) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in (c) above:

- a.** The cost of excavations, grading, backfilling and filling;
- b.** Foundation of the building;
- c.** Pilings; and
- d.** Underground pipes, flues and drains.

These four items are deleted from Property Not Covered, but only with respect to the coverage described in this provision.

The most we will pay in any one occurrence for loss described in paragraph (5)(a) above is the Limit of Insurance shown in this policy's Declarations applicable to the building sustaining the loss. The coverage in paragraph (5)(a) above does not increase the Limit of Insurance.

The most we will pay in any one occurrence for loss described in paragraphs (5)(b) and (5)(c) above is \$50,000.

The Coinsurance Additional Condition does not apply to (5)(b) or (5)(c) above.

The terms of this Extension shall apply separately to each building to which the Extension applies.

This Extension is subject to the deductible in the Commercial Property Coverage Declarations.

- v.** Tenant Glass. You may extend the insurance that applies to Your Business Personal Property to apply to Building glass, including lettering and ornamentation, for which you are responsible under a lease of premises. The most we will pay under this Extension in any one occurrence is \$5,000. This Extension is subject to these provisions:

- (1)** Your responsibility for Building glass must be contained in a written lease for premises rented to you at a location shown in the Declarations.

- (2)** The loss or damage must be caused by or result from Risks of Direct Physical Loss unless the loss is

- (a)** Excluded in Section B. Exclusions of the CAUSE OF LOSS – SPECIAL FORM

- (b)** Limited in Section C. Limitations of the CAUSE OF LOSS – SPECIAL FORM

Building glass losses under this Extension are subject to a \$250 deductible, regardless of the property deductible shown in the Declarations of this policy.

- 7.** The following is added to Section D. Deductible:

The deductible shown in the Declarations is amended to read \$250 when an occurrence involves covered loss or damage only to exterior Building glass. In the event other Building property is also damaged in the same occurrence, the deductible shown in the Declarations will be the only deductible applied to all covered loss within that occurrence.

B. CAUSES OF LOSS – SPECIAL FORM is amended as shown:

- F.** Additional Coverage Extensions, items 1.a. and 1.c. of Property In Transit, are replaced by the following:

- a.** You may extend the insurance provided by this Coverage Part to apply to Your Business Personal Property while in the care, custody or control of your salespersons or in transit more than 500 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

- b.** Loss or damage must be caused by or result from Risks of Direct Physical Loss unless the loss is

- (1)** Excluded in Section B. Exclusions of the CAUSE OF LOSS – SPECIAL FORM

- (2)** Limited in Section C. Limitations of the CAUSE OF LOSS – SPECIAL FORM

- c.** The most we will pay for loss or damage under this Extension is \$25,000.

- C.** If the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is attached to this policy, the following provisions apply:
1. The provision related to “within 100 feet of the site at which the described premises are located” in Sections A.1. and A.5.b.(3) are revised to read “within 500 feet of the site at which the described premises are located”.
 2. The provision relating to “30 consecutive days” in section A.5.c.(1)(b)(ii) is revised to read “60 consecutive days”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Property Plus Endorsement

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CAUSES OF LOSS – SPECIAL FORM

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as shown:

1. Paragraph A.1.a.(4)(a) is revised to read, "Fire detection and extinguishing equipment".
2. The provision relating to "within 100 feet of the described premises" contained in sections A.1.a.(5)(b), A.1.b., A.1.c.(2), and the first paragraph of A.5. are revised to read "within 500 feet of the described premises."
3. ~~The provisions relating to signs "Signs (other than signs attached to buildings) as a type of property not covered while outside of buildings contained in sections)" is deleted from Property Not Covered, section A.2.q.(2) and A.5.e. are removed.~~
4. The following Additional Coverage, Coverage Extensions, Limits of Insurance, Loss Conditions and Optional Coverages in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM are amended as shown:

Section	Coverage Description	The most we will pay provision is increased to:
A.4.a.(4)	Limits of Insurance – Debris Removal	\$ 250 ,000
A.4.c.	Fire Department Service Charge	\$ 3,000
A.4.f.(4)	Electronic Data	\$5,000
A.5.a.(1)	Newly Acquired or Constructed Property – Building	\$1,000,000
A.5.a.(2)	Newly Acquired or Constructed Property – Your Business Personal Property	\$ 500,000
A.5.a.(3)(b)	"30 days" is replaced by "90 days"	
A.5.b.	Personal Effects and Property of Others	\$25,000
A.5.c. (4)	Valuable Papers and Records (Other Than Electronic Data)	\$-15,000
A.5.d.(2)A.5.d.	Property Off-Premises in care of salespersons or in a vehicle is provided; delete paragraph A.5.d.(2).Property Off Premises	
A.5.d.(1)	Your Covered Property is amended to include property in the care of salespersons	\$
A.5.d.(2)	This paragraph is deleted.	\$25,000
A.5.d.(3)	This limit is increased to:	
A.5.e_d.(3)	Outdoor Property Off-Premises limit is increased to:	\$ 25,000, but not more than \$500 on any one tree, shrub or plant.
CA.5.e.	Limits of Insurance – Outdoor signs – This provision is amended to remove the condition that signs be attached to the building Paragraph A.5.e. is deleted; For coverage on Outside Signs (A.5.j.) and Outdoor Property (A.6.g.) see the referenced paragraphs in this endorsement.	\$ 5,000
E.7.b.	Valuation – This provision is changed to read "\$5,000 or less"	

5. The following coverages are added to Additional Coverages under section A.4.:
- g. Arson and Theft Information. We will pay the expenses to provide a reward for information leading to:
 - (1) An arson conviction in connection with a covered fire; or
 - (2) A conviction in connection with theft of Your Business Personal Property.
 Costs incurred in advertising the reward are included. The most we will pay under this provision is \$5,000. This limit applies per occurrence regardless of the number of persons providing information. No deductible applies to this additional coverage.
 - h. Brands and Labels. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:
 - (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - (2) Remove the brands and labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.
 We will pay reasonable costs you incur to perform the activity prescribed in h.(1) or h.(2) above. But the total we pay for these costs and the value of the damage property will not exceed the applicable Limit of Insurance on such property.
 - i. Business Personal Property Limit – Seasonal Automatic Increase. The limit of insurance for Your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the limit of insurance shown for Your 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.
 - j. Outside Signs. You may extend the insurance provided by this Coverage Form to apply to your outside signs, whether or not such signs are attached to buildings. Outside signs are insured against all causes of loss as defined in the Cause of Loss – Special Form. The provisions related to outdoor signs attached to buildings in item C. Limits of Insurance do not apply. The most we will pay under this Additional Coverage is \$10,000 in any one occurrence.
 - k. Fire Extinguisher Recharge. We will pay for your expense to recharge portable fire extinguishers used to fight a fire at the premises described in the Declarations or at immediately adjacent premises that expose your property to loss. The most we will pay under this provision is \$5,000. No deductible applies to this additional coverage.
 - l. Inflation Guard. The Limits of Insurance for Buildings and Your Business Personal Property under the policy to which this endorsement is attached will automatically increase by an annual percentage of 4%. The amount of increase will be:
 - (1) The Limit of insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) 4%, times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance divided by 365.
6. The following ~~coverages~~ are added to the Coverage Extensions under Section A.5.
- g. Outdoor Property. You may extend the insurance provided by this Coverage form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants resulting from any of the "specified causes of loss" as defined in the Causes of Loss – Special Form. The most we will pay for loss or damage under this Additional Coverage is \$10,000, but not more than \$1,000 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

- h.** Accounts Receivable. You may extend the insurance that applies to Your Business Personal Property to apply to accounts receivable. We will pay:
- (1)** All amounts due you from your customers that you are unable to collect;
 - (2)** Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (3)** Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
 - (4)** Other reasonable expenses that you incur to reestablish the records of your accounts receivable that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable. This insurance applies to accounts receivable while:
 - (a)** On premises scheduled in the Declarations of this policy;
 - (b)** While being conveyed outside the premises; or
 - (c)** While temporarily at other premises.

We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (1)** Programming errors or faulty machine instructions; or
- (2)** Faulty installation or maintenance of data processing equipment or component parts,

But we will pay for direct loss or damage caused by lightning.

The most we will pay under this Extension is \$25,000 at each described premises.

- i.** Back Up of Sewers or Drains. You may extend the insurance that applies to property covered by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to loss or damage to your property caused by water that:
- (1)** Backs up through sewers or drains; or
 - (2)** Enters into and overflows from within a:
 - (a)** Sump pump;
 - (b)** Sump pump well; or
 - (c)** Other type system;designed to remove subsurface water from the foundation area.

The most we will pay for loss or damage under this Extension in any one occurrence is \$10,000 at each location shown in the Declarations. The most we will pay for such loss or damage in any one occurrence at all locations shown in the Declarations is \$50,000.

- j.** Business Income and Extra Expense. We will pay for the actual loss of Business Income , including “rental value” you sustain and Extra Expense you incur 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 property at the premises described in the Declarations. 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 500 feet of the site at which the described premises are located. 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; and
 - (ii)** Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (1)** The most we will pay for loss or damage under this Extension in one occurrence is \$250,000.
- (2)** Business Income means the:
- (a)** Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
 - (b)** Continuing normal operating expenses incurred, including payroll.
- For manufacturing risks, Net Income includes the net sales value of production.

- (3)** Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (a)** Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location;
- (b)** Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have payable under this coverage.

- (4)** "Operations" means:

- (a)** Your business activities occurring at the described premises; and
- (b)** The tenantability of the described premises.

- (5)** "Rental value" means Business Income that consists of:

- (a)** Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- (b)** Continuing normal operating expenses incurred in connection with that premises, including:
 - (i)** Payroll; and
 - (ii)** The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

- (6)** "Period of restoration" means the period of time that:

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

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

- (i)** Regulates the construction, use or repair, or requires the tearing down of any property; or
- (ii)** Requires any insured or others to test for, monitor, clean up, remove, contain, 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."

- (7)** "Suspension" means:

- (a)** The slowdown or cessation of your business activities; or
- (b)** That a part of all of the described premises is rendered untenable

- k.** Claim Data Expense. You may extend the insurance provided by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to the expense you incur in preparing claim data when we require it. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of the loss.

The most we will pay for preparation of claim data under this Extension is \$5,000. We will not pay for any expenses billed by and payable to insurance adjusters or attorneys or any costs as provided in the Loss Condition Appraisal.

- l.** Consequential Damage. You may extend the insurance that applies to Your Business Personal Property to apply to the consequential loss of your undamaged product part or parts. Consequential damage means a part or parts of your product are physically lost or damaged by a covered cause of

loss causing the part or parts that are undamaged to be unmarketable as a complete product. The most we will pay for loss or damage under this Extension is \$25,000 in any one occurrence.

- m.** Credit Card Slips. You may extend the insurance that applies to Your Business Personal Property to apply to amounts you are unable to collect due to loss of or damage to credit card slips while located at the described premises as a result of a Covered Cause of Loss.

It is your responsibility to establish the amount of the loss under this Extension. If that is not possible, the amount of loss will be determined as follows:

- (1) If you have been in business for more than twelve months at the location of the loss, one-thirtieth (1/30) of the average monthly amount of credit card slips will be considered as the average daily credit card slips for that location. The twelve months immediately preceding the discovery of the loss will be used to determine the average monthly amount.
- (2) If you have been in business for less than twelve months at the location of the loss, the average daily credit card slips shall be one-thirtieth (1/30) of the average monthly amount of credit card slips for the number of months you have been in business at that location.
- (3) The average daily credit card slips will be multiplied by the number of days for which slips are lost to determine the amount of the loss, subject to the maximum limit indicated below.

The most we will pay as a result of loss or damage to credit card slips under this Extension is \$45,000.

No deductible applies to this Extension.

- l.n.** Difference In Value – Leased Equipment. You may extend the insurance that applies to Your Business Personal Property to cover the difference between the amount due under a lease agreement on covered personal property on the described premises and the replacement cost or actual cash value of that leased personal property.

The most we will pay under this Extension is the greater of the:

- (1) Amount due under the terms of the lease to which your business personal property is subject, but not to include:
 - (a) Overdue lease payments;
 - (b) Financial penalties imposed under the lease due to excessive use or abnormal wear and tear; or
 - (c) Security deposits not refunded by the lessor; or
- (2) Replacement cost if that is shown in the declarations as applying to Your Business Personal Property; or
- (3) Actual cash value if that is shown in the declarations as applying to Your Business Personal Property.

- m.o.** Employee Theft. You may extend the insurance that applies to Your Business Personal Property to apply to loss of and or damage to “money”, “securities” and “other property” resulting directly from “theft” committed by an “employee”, whether identified or not, acting alone or in collusion with other persons.

- (1) We will not pay for loss as specified below:
 - (a) Item B.1.h., Exclusions, in the CAUSES OF LOSS – SPECIAL FORM, is replaced by the following: Loss resulting from “theft” or any other dishonest act committed by:
 - (i) You; or
 - (ii) Any of your partners or members; whether acting alone or in collusion with other persons.
 - (b) Loss caused by ~~an any~~ “employee” of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation; or
 - (c) 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.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

- (d) Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
- (e) Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.
- (f) Loss that is an indirect result of any act or "occurrence" covered by this insurance.
- (g) Expenses related to any legal action.
- (h) Loss caused by any "employee" immediately upon discovery by:
 - (i) You; or
 - (ii) Any of your partners, members, managers, officers, directors or trustees not in collusion with the "employee";of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

(2) "Employee"

(a) Means 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 (a) above, who is on leave; or
- (ii) To meet seasonal or short-term work load conditions;

While that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;

- (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 define 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 the premises.
- (f) "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 scope of the usual duties of an "employee."

(3) "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.

(4) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.

(5) "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

(b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
but does not include "money".

(6) "Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the insured.

The most we will pay for loss or damage under this Extension is \$~~2,500~~5,000 in any one occurrence. No deductible applies to this Extension.

"Occurrence" means all loss caused by, or involving, one or more "employees," whether the result of a single act or a series of acts.

p. Fine arts. You may extend coverage that applies to Your Business Personal Property to cover loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art or rarity, having historical values or artistic merit. This Extension is subject to the following:

(1) Loss or damage was caused by a Covered Cause of Loss;

(2) The most we will pay for loss or damage under this Extension is \$25,000 at each described premises;

(3) Item 2.b. in Section C., Limitations, in the CAUSES OF LOSS – SPECIAL FORM, pertaining to breakage, does not apply to this coverage; and

(4) The following is added as item f. to paragraph 7, Valuation, of Section E. Loss Conditions, in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM: Fine Arts at market value at the time of loss or damage.

q. Forgery or Alteration. You may extend the insurance that applies to Your Business Personal Property to loss resulting directly from "forgery" or alteration of, any checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

Or that are purported to have been so made or drawn.

If you are sued for refusing to pay any instrument covered in the paragraph above, 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 and pay in that defense.

"Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

"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.

The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$5,000.

r. Lock Replacement. You may extend the insurance that applies to Covered Property to pay for expenses incurred to replace door locks or tumblers of your described premises due to theft of your door keys. Item 1.e. in Section C., Limitations, in the CAUSES OF LOSS – SPECIAL FORM, shall not apply to this coverage. The most we will pay under this Extension is \$1,000 in any one occurrence. A \$100 deductible applies to this Extension.

k. Money and Securities. You may extend the insurance that applies to Your Business Personal Property to apply to loss of "money", "securities", stamps or lottery tickets held for sale, and "other property".

s. The most we will pay for loss resulting directly from "theft", disappearance or destruction under this Extension is:

~~(3)(1)~~ (1) \$10,000 per occurrence for money, securities, stamps and lottery tickets held for sale while located at the described premises; or

~~(4)(2)~~ (2) \$10,000 per occurrence for money, securities, stamps and lottery tickets held for sale, and "other property" while being conveyed outside the described premises by you, your officers, your

partners or your employees. However, coverage for "other property" is limited to loss or damage resulting from an actual or attempted "robbery".

(3) "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.

"Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.

"Robbery" means the unlawful taking of property from the care and custody of a person by one who has:

- (a)** Caused or threatened to cause that person bodily harm; or
- (b)** Committed an obviously unlawful act witnessed by that person.

"Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

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

but does not include "money".

"Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the insured.

s.f. Money Orders and Counterfeit Paper Currency. You may extend the insurance that applies to Your Business Personal Property to 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" paper currency that is acquired during the regular course of business.

"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.

"Counterfeit" means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

The most we will pay for any loss under this Extension is **\$12,000**.

t.u. Ordinance or Law. You may extend the insurance that applies to Your Building only if both (1) and (2) below are satisfied and are then subject to the qualifications set forth in (3) as follows:

- (1)** The ordinance or law:
 - (a)** Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - (b)** Is in force at the time of loss.

But this coverage extension applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this coverage extension.

- (2)** **(a)** The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (b)** The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- (c)** But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

- (3)** In the situation described in (2)(b) above, we will not pay the full amount of loss otherwise payable under the terms of this coverage extension. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this coverage extension.

- (4)** We will not pay under this coverage extension:

(a) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

(b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

- (5)** With respect to the building that has sustained covered direct physical damage, we will pay:

(a) The loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

(b) The cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property;

(c) The increased cost to:

(i) Repair or reconstruct damaged portions of that building; and/or

(ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

(i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

(ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

When a building is damaged or destroyed and this additional coverage applies to that building in accordance with (c) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in (c) above:

a. The cost of excavations, grading, backfilling and filling;

b. Foundation of the building;

c. Pilings; and

d. Underground pipes, flues and drains.

These four items are deleted from Property Not Covered, but only with respect to the coverage described in this provision.

The most we will pay in any one occurrence for loss described in paragraph (5)(a) above is the Limit of Insurance shown in this policy's Declarations applicable to the building sustaining the loss. The coverage in paragraph (5)(a) above does not increase the Limit of Insurance.

The most we will pay in any one occurrence for loss described in paragraphs (5)(b) and (5)(c) above is \$50,000.

The Coinsurance Additional Condition does not apply to (5)(b) or (5)(c) above.

The terms of this Extension shall apply separately to each building to which the Extension applies.
This Extension is subject to the deductible in the Commercial Property Coverage Declarations.

v. Tenant Glass. You may extend the insurance that applies to Your Business Personal Property to apply to Building glass, including lettering and ornamentation, for which you are responsible under a lease of premises. The most we will pay under this Extension is ~~\$25,000~~ in any one occurrence. ~~is~~ \$5,000. This Extension is subject to these provisions:

~~The coverage in paragraph (5)(a) above is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. The coverage in paragraph (5)(a) above does not increase the Limit of Insurance.~~

(1) Your responsibility for Building glass must be contained in a written lease for premises rented to you at a location shown in the Declarations.

(2) The loss or damage must be caused by or result from Risks of Direct Physical Loss unless the loss is

(a) Excluded in Section B. Exclusions of the CAUSE OF LOSS – SPECIAL FORM

(b) Limited in Section C. Limitations of the CAUSE OF LOSS – SPECIAL FORM

Building glass losses under this Extension are subject to a \$250 deductible, regardless of the property deductible shown in the Declarations of this policy.

7. The following is added to Section D. Deductible:

The deductible shown in the Declarations is amended to read \$250 when an occurrence involves covered loss or damage only to exterior Building glass. In the event other Building property is also damaged in the same occurrence, the deductible shown in the Declarations will be the only deductible applied to all covered loss within that occurrence.

B. CAUSES OF LOSS – SPECIAL FORM is amended as shown:

F. Additional Coverage Extensions, items 1.a. and 1.c. of Property In Transit, are replaced by the following:

a. a.—You may extend the insurance provided by this Coverage Part to apply to Your Business Personal Property while in the care, custody or control of your salespersons or in transit more than 500 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

b. e.—Loss or damage must be caused by or result from Risks of Direct Physical Loss unless the loss is

(1) Excluded in Section B. Exclusions of the CAUSE OF LOSS – SPECIAL FORM

(2) Limited in Section C. Limitations of the CAUSE OF LOSS – SPECIAL FORM

c. The most we will pay for loss or damage under this Extension is \$25,000.

C. C. If the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is attached to this policy, the following provisions apply:

1. The provision related to "within 100 feet of the site at which the described premises are located" in Sections A.1. and A.5.b.(3) are revised to read "within 500 feet of the site at which the described premises are located".
2. The provision relating to "30 consecutive days" in section A.5.c.(1)(b)(ii) is revised to read "60 consecutive days".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Property Plus Extension Endorsement

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESSINCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as shown:

1. Paragraph A.1.a.(4)(a) is revised to read, "Fire detection and extinguishing equipment".
2. The provision relating to "within 100 feet of the described premises" contained in sections A.1.a.(5)(b), A.1.b., A.1.c.(2) and the first paragraph of A.5. are revised to read "within 1,000 feet of the described premises."
3. "Signs" (other than signs attached to buildings)" is deleted from Property Not Covered, section A.2.q.(2).
4. The following Additional Coverage, Coverage Extensions, Limits of Insurance, Loss Conditions and Optional Coverages in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM are amended as shown:

Section	Coverage Description	The most we will pay provision is increased to:
A.4.a.(4)	Limits of Insurance – Debris Removal	\$50,000
A.4.c.	Fire Department Service Charge	\$10,000
A.4.f.(4)	Electronic Data	\$10,000
A.5.a.(1)	Newly Acquired or Constructed Property – Building	\$1,000,000
A.5.a.(2)	Newly Acquired or Constructed Property – Your Business Personal Property	\$ 500,000
A.5.a.(3)(b)	"30 days" is replaced by "90 days"	
A.5.b.	Personal Effects and Property of Others	\$ 50,000
A.5.c. (4)	Valuable Papers and Records (Other Than Electronic Data)	\$ 25,000
A.5.d.	Property Off-Premises	
A.5.d.(1)	Your Covered Property is amended to include property in the care of salespersons	
A.5.d.(2)	This paragraph is deleted.	
A.5.d.(3)	This limit is increased to:	\$ 50,000
A.5.e.	Paragraph A.5.e. is deleted; for coverage on Outside signs (A.5.j.) and Outdoor Property (A.6.g.) see the referenced paragraphs in this endorsement	
E.7.b.	Valuation – This provision is changed to read "\$5,000 or less"	

5. The following coverages are added to Additional Coverages under section A.4.:

g. Arson and Theft Information. We will pay the expenses to provide a reward for information leading to:

- (1) An arson conviction in connection with a covered fire; or
- (2) A conviction in connection with theft of Your Business Personal Property.

Costs incurred in advertising the reward are included. The most we will pay under this provision is \$25,000. This limit applies per occurrence regardless of the number of persons providing information. No deductible applies to this additional coverage.

h. Brands and Labels. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:

- (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands and labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity prescribed in h.(1) or h.(2) above. But the total we pay for these costs and the value of the damage property will not exceed the applicable Limit of Insurance on such property.

- i. Business Personal Property Limit – Seasonal Automatic Increase. The limit of insurance for Your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the limit of insurance shown for Your 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.

- j. Outside Signs. You may extend the insurance provided by this Coverage Form to apply to your outside signs, whether or not such signs are attached to buildings. Outside signs are insured against all causes of loss as defined in the Cause of Loss – Special Form.

The provisions related to outdoor signs attached to buildings in item C. Limits of Insurance do not apply.

The most we will pay under this Additional Coverage is \$10,000 in any one occurrence.

- k. Fire Extinguisher Recharge. We will pay for your expense to recharge portable fire extinguishers used to fight a fire at the premises described in the Declarations or at immediately adjacent premises that expose your property to loss. The most we will pay under this provision is \$10,000. No deductible applies to this additional coverage.

- l. Inflation Guard. The Limits of Insurance for Buildings and Your Business Personal Property under the policy to which this endorsement is attached will automatically increase by an annual percentage of 4%. The amount of increase will be:

- (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
- (2) 4%, times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance divided by 365.

6. The following coverages are added to the Coverage Extensions under Section A.5.

- g. Outdoor Property. You may extend the insurance provided by this Coverage form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants resulting from any of the "specified causes of loss" as defined in the Cause of Loss – Special Form. The most we will pay for loss or damage under this Additional Coverage is \$10,000, but not more than \$2,500 for any one tree, shrub, or plant. These limits apply to any one occurrence, regardless of the types of number of items lost or damaged in that occurrence.

- h. Accounts Receivable. You may extend the insurance that applies to Your Business Personal Property to apply to accounts receivable. We will pay:

- (1) All amounts due you from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to reestablish the records of your accounts receivable that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable. This insurance applies to accounts receivable while:
 - (a) On premises scheduled in the Declarations of this policy;
 - (b) While being conveyed outside the premises; or
 - (c) While temporarily at other premises.

We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (1) Programming errors or faulty machine instructions; or

(2) Faulty installation or maintenance of data processing equipment or component parts,
But we will pay for direct loss or damage caused by lightning.

The most we will pay under this Extension is \$50,000 at each described premises.

- i. Back Up of Sewers or Drains. You may extend the insurance that applies to property covered by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to loss or damage to your property caused by water that:

- (1) Backs up through sewers or drains; or
- (2) Enters into and overflows from within a:
 - (a) Sump pump;
 - (b) Sump pump well; or
 - (c) Other type system;

designed to remove subsurface water from the foundation area.

The most we will pay for loss or damage under this Extension is \$50,000.

- j. Business Income and Extra Expense. We will pay for the actual loss of Business Income, including "rental value" you sustain and Extra Expense you incur 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 property at the premises described in the Declarations. 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 1,000 feet of the site at which the described premises are located. 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; and
- (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

(1) The most we will pay for loss or damage under this Extension is \$50,000.

(2) Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (b) Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

(3) Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (a) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location;
- (b) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have payable under this coverage.

(4) "Operations" means:

- (a) Your business activities occurring at the described premises; and
- (b) The tenantability of the described premises.

(5) "Rental value" means Business Income that consists of:

- (a) Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- (b) Continuing normal operating expenses incurred in connection with that premises, including:
 - (i) Payroll; and
 - (ii) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

(6) "Period of restoration" means the period of time that:

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

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

- (i)** Regulates the construction, use or repair, or requires the tearing down of any property; or
- (ii)** Requires any insured or others to test for, monitor, clean up, remove, contain, 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."

(7) "Suspension" means:

- (a)** The slowdown or cessation of your business activities; or
- (b)** That a part of all of the described premises is rendered untenable.

k. Business Income from Dependent Properties. 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 "dependent property" at premises not described in the Declarations caused by or resulting from a Covered Cause of Loss. However, coverage under this extension does not apply when the only loss to "dependent property" is loss or damage to electronic data, including destruction or corruption of electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under this extension will not continue once the other property is repaired, rebuilt, or replaced. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

The following is added to the Definitions Section:

(1) "Dependent property" means property owned or operated by others whom you depend on to:

- (a)** Deliver materials or services to you or to others for your account. But any property which delivers any of the following services is not a "dependent property" with respect to such services:
 - (i)** Water supply services;
 - (ii)** Power supply services; or
 - (iii)** Communication supply services, including services relating to internet access or access to any electronic network.
- (b)** Accept your products or services
- (c)** Manufacture products for delivery to your customers under contract of sale; or
- (d)** Attract customers to your business.

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

- (a)** Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
- (b)** Ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality

"Period of restoration does not include any increased period required due to the enforcement of 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, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

We will reduce the amount of your Business Income from Dependent Properties 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.

The most we will pay for loss or damage under this Extension is \$50,000.

- I. Claim Data Expense.** You may extend the insurance provided by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to the expense you incur in preparing claim data when we require it. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of the loss.

The most we will pay for preparation of claim data under this Extension is \$5,000. We will not pay for any expenses billed by and payable to insurance adjusters or attorneys or any costs as provided in the Loss Condition Appraisal.

- m. Consequential Damage.** You may extend the insurance that applies to Your Business Personal Property to apply to the consequential loss of your undamaged product part or parts. Consequential damage means a part or parts of your product are physically lost or damaged by a covered cause of loss causing the part or parts that are undamaged to be unmarketable as a complete product. The most we will pay for loss or damage under this Extension is \$25,000 in any one occurrence.
- n. Credit Card Slips.** You may extend the insurance that applies to Your Business Personal Property to apply to amounts you are unable to collect due to loss of or damage to credit card slips while located at the described premises as a result of a Covered Cause of Loss.

It is your responsibility to establish the amount of the loss under this Extension. If that is not possible, the amount of loss will be determined as follows:

- (1)** If you have been in business for more than twelve months at the location of the loss, one-thirtieth (1/30) of the average monthly amount of credit card slips will be considered as the average daily credit card slips for that location. The twelve months immediately preceding the discovery of the loss will be used to determine the average monthly amount.
- (2)** If you have been in business for less than twelve months at the location of the loss, the average daily credit card slips shall be one-thirtieth (1/30) of the average monthly amount of credit card slips for the number of months you have been in business at that location.
- (3)** The average daily credit card slips will be multiplied by the number of days for which slips are lost to determine the amount of the loss, subject to the maximum limit indicated below.

The most we will pay as a result of loss or damage to credit card slips under this Extension is \$5,000. No deductible applies to this Extension.

- o. Difference In Value – Leased Equipment.** You may extend the insurance that applies to Your Business Personal Property to cover the difference between the amount due under a lease agreement on covered personal property on the described premises and the replacement cost or actual cash value of that leased personal property.

The most we will pay under this Extension is the greater of the:

- (1)** Amount due under the terms of the lease to which your business personal property is subject, but not to include:
 - (a)** Overdue lease payments;
 - (b)** Financial penalties imposed under the lease due to excessive use or abnormal wear and tear; or
 - (c)** Security deposits not refunded by the lessor; or
- (2)** Replacement cost if that is shown in the declarations as applying to Your Business Personal Property; or
- (3)** Actual cash value if that is shown in the declarations as applying to Your Business Personal Property.

- p. Employee Theft.** You may extend the insurance that applies to Your Business Personal Property to apply to loss of and or damage to “money”, “securities” and “other property” resulting directly from “theft” committed by an “employee”, whether identified or not, acting alone or in collusion with other persons.

(1) We will not pay for loss as specified below:

- (a)** Item B.1.h., Exclusions, in the CAUSES OF LOSS – SPECIAL FORM, is replaced by the following: Loss resulting from “theft” or any other dishonest act committed by:
 - (i)** You; or
 - (ii)** Any of your partners or members;

whether acting alone or in collusion with other persons.

- (b)** Loss caused by an “employee” of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation; or
- (c)** 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.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

- (d)** Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
- (e)** Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.
- (f)** Loss that is an indirect result of any act or “occurrence” covered by this insurance.
- (g)** Expenses related to any legal action.
- (h)** Loss caused by any “employee” immediately upon discovery by:
 - (i)** You; or
 - (ii)** Any of your partners, members, managers, officers, directors or trustees not in collusion with the “employee”;
of “theft” or any other dishonest act committed by the “employee” whether before or after becoming employed by you.

(2) “Employee”

(a) Means 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 (a) above, who is on leave; or
- (ii)** To meet seasonal or short-term work load conditions;

While that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;

(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 define 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 the premises.

(f) “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 scope of the usual duties of an “employee.”

(3) “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.

(4) “Other property” means any tangible property other than “money” and “securities” that has intrinsic value but does not include any property excluded under this insurance.

(5) “Securities” means negotiable and nonnegotiable instruments or contracts representing either “money” or property and includes:

- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include “money”.
- (6) “Theft” means the unlawful taking of “money”, “securities”, or “other property” to the deprivation of the insured.

The most we will pay for loss or damage under this Extension is \$5,000 in any one occurrence.

No deductible applies to this Extension.

“Occurrence” means all loss caused by or involving one or more “employees,” whether the result of a single act or a series of acts.

- q. Fine arts. You may extend coverage that applies to Your Business Personal Property to cover loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art or rarity, having historical values or artistic merit. This Extension is subject to the following:
- (1) Loss or damage was caused by a Covered Cause of Loss;
 - (2) The most we will pay for loss or damage under this Extension is \$25,000 at each described premises;
 - (3) Item 2.b. in Section C., Limitations, in the CAUSES OF LOSS – SPECIAL FORM, pertaining to breakage, does not apply to this coverage; and
 - (4) The following is added as item f. to paragraph 7, Valuation, of Section E. Loss Conditions, in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM: Fine Arts at market value at the time of loss or damage.
- r. Forgery or Alteration. You may extend the insurance that applies to Your Business Personal Property to loss resulting directly from “forgery” or alteration of, any checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in “money” that are
- (1) Made or drawn by or drawn upon you; or
 - (2) Made or drawn by one acting as your agent;

Or that are purported to have been so made or drawn.

If you are sued for refusing to pay any instrument covered in the paragraph above, 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 and pay in that defense.

“Forgery” means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one’s own name signed with or without authority, in any capacity, for any purpose.

“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.

The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000.

- s. Lock Replacement. You may extend the insurance that applies to Covered Property to pay for expenses incurred to replace door locks or tumblers of your described premises due to theft of your door keys. Item 1.e. in Section C., Limitations, in the CAUSES OF LOSS – SPECIAL FORM, shall not apply to this coverage. The most we will pay under this Extension is \$10,000 in any one occurrence. A \$100 deductible applies to this Extension.
- t. Money and Securities. You may extend the insurance that applies to Your Business Personal Property to apply to loss of “money”, “securities”, stamps or lottery tickets held for sale, and “other property”.

The most we will pay for loss resulting directly from “theft”, disappearance or destruction under this Extension is:

- (1) \$10,000 per occurrence for money, securities, stamps and lottery tickets held for sale while located at the described premises; or
- (2) \$10,000 per occurrence for money, securities, stamps and lottery tickets held for sale, and “other property” while being conveyed outside the described premises by you, your officers,

your partners or your employees. However, coverage for "other property" is limited to loss or damage resulting from an actual or attempted "robbery".

"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.

"Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.

"Robbery" means the unlawful taking of property from the care and custody of a person by one who has:

- (a) Caused or threatened to cause that person bodily harm; or
- (b) Committed an obviously unlawful act witnessed by that person.

"Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

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

but does not include "money".

"Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the insured.

- s. Money Orders and Counterfeit Paper Currency. You may extend the insurance that applies to Your Business Personal Property to 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" paper currency that is acquired during the regular course of business.

"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.

"Counterfeit" means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

The most we will pay for any loss under this Extension is \$5,000.

- t. Ordinance or Law. You may extend the insurance that applies to Your Building only if both (1) and (2) below are satisfied and are then subject to the qualifications set forth in (3) as follows:

- (1) The ordinance or law:
 - (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - (b) Is in force at the time of loss.

But this coverage extension applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this coverage extension.

- (2) (a) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- (c) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
- (3) In the situation described in (2)(b) above, we will not pay the full amount of loss otherwise payable under the terms of this coverage extension. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this coverage extension.

(4) We will not pay under this coverage extension:

- (a)** Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b)** The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(5) With respect to the building that has sustained covered direct physical damage, we will pay:

- (a)** The loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.
- (b)** The cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property;
- (c)** The increased cost to:
 - (i) Repair or reconstruct damaged portions of that building; and/or
 - (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

When a building is damaged or destroyed and this additional coverage applies to that building in accordance with (c) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in (c) above:

- a. The cost of excavations, grading, backfilling and filling;
- b. Foundation of the building;
- c. Pilings; and
- d. Underground pipes, flues and drains.

These four items are deleted from Property Not Covered, but only with respect to the coverage described in this provision.

The most we will pay in any one occurrence for loss described in paragraph (5)(a) above is the Limit of Insurance shown in this policy's Declarations applicable to the building sustaining the loss. The coverage in paragraph (5)(a) does not increase the Limit of Insurance.

The most we will pay in any one occurrence for loss described in paragraphs (5)(b) and (5)(c) above is \$250,000.

The Coinsurance Additional Condition does not apply to (b) or (c) above.

The terms of this Extension shall apply separately to each building to which the Extension applies.

This Extension is subject to the deductible in the Commercial Property Coverage Declarations.

- u.** Tenant Glass. You may extend the insurance that applies to Your Business Personal Property to apply to Building glass, including lettering and ornamentation, for which you are responsible under a lease of premises. The most we will pay under this Extension in any one occurrence is \$5,000. This Extension is subject to these provisions:

- (1) Your responsibility for Building glass must be contained in a written lease of premises rented to you at a location shown in the Declarations.
- (2) The loss or damage must be caused by or result from a Risks of Direct Physical Loss unless the loss is
 - (a) Excluded in Section B. Exclusions of the CAUSE OF LOSS – SPECIAL FORM
 - (b) Limited in Section C. Limitations of the CAUSE OF LOSS – SPECIAL FORM

Building glass losses under this Extension are subject to a \$250 deductible, regardless of the property deductible shown in the Declarations of this policy.

- v. Utility Services – Direct Damage. We will pay for loss or damage to Covered Property caused by an interruption in utility service to the premises described in the Declarations. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to utility property described below that is located off the premises described in the Declarations:
 - (1) Water Supply Services, meaning the following types of property supplying water to the premises described in the Declarations:
 - (a) Pumping stations; and
 - (b) Water mains.
 - (2) Communications Supply Services, meaning property supplying communication services, including telephone, radio microwave or television services to the premises described in the Declarations, such as:
 - (a) communication transmission lines, including optic fiber transmission lines, but **not** including overhead transmission lines;
 - (b) Coaxial cables; and
 - (c) Microwave radio relays except satellites.
 - (3) Power Supply Services, meaning the following types of property supply electricity, steam, or gas to the premises described in the Declarations:
 - (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission lines, but **not** including overhead transmission lines. .

The most we will pay for loss or damage under this Extension is \$25,000. This Extension does not increase the applicable limit of insurance.

B. CAUSES OF LOSS – SPECIAL FORM is amended as shown:

- F. Additional Coverage Extensions, items 1.a. and 1.c. of Property In Transit, are replaced by the following:
 - a. You may extend the insurance provided by this Coverage Part to apply to Your Business Personal Property while in the care, custody or control of your salespersons or in transit more than 500 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
 - b. Loss of damage must be caused by or result from Risks of Direct Physical Loss unless the loss is
 - (1) Excluded in Section B. Exclusions of the CAUSE OF LOSS – SPECIAL FORM
 - (2) Limited in Section C. Limitations of the CAUSE OF LOSS – SPECIAL FORM
 - c. The most we will pay for loss or damage under this Extension is \$50,000.

C. If the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is attached to this policy, the following provisions apply:

- 1. The following coverage is added to Additional Coverages under Section A.5.:
 - e. Utility Services – Time Element. Your coverage for Business Income and/or Extra Expense, as provided and limited in the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is extended to apply to a “suspension” of “operations” at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a

Covered Cause of Loss as defined by the CAUSE OF LOSS – SPECIAL FORM to the following types of property that is located outside of a covered building described in the Declarations:

- (1)** Water Supply Services, meaning the following types of property supplying water to the described premises:
 - (a)** Pumping stations; and
 - (b)** Water Mains
- (2)** Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - (a)** Communication transmission lines, including optic fiber transmission lines, but **not** including overhead transmission lines;
 - (b)** Coaxial cables; and
 - (c)** Microwave radio relays except satellites.
- (3)** Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (a)** Utility generating plans;
 - (b)** Switching stations;
 - (c)** Substations;
 - (d)** Transformers; and
 - (e)** Transmission lines, but not including overhead transmission lines.

The coinsurance Additional Condition does not apply to this Additional Coverage.

The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000. This limit is part of, and not in addition to, the Limit of Insurance for Business Income (With Extra Expense) or Business Income (Without Extra Expense) stated in the Declarations as applicable to described premises.

2. The provision related to “within 100 feet of the site at which the described premises are located” in Sections A.1. and A.5.b.(3) are revised to read “within 1,000 feet of the site at which the described premises are located.
3. The provision relating to “30 consecutive days” in section A.5.c.(1)(b)(ii) is revised to read “60 consecutive days”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Property Plus Extension Endorsement

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CAUSES OF LOSS – SPECIAL FORM

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUSINESSINCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as shown:

1. Paragraph A.1.a.(4)(a) is revised to read, "Fire detection and extinguishing equipment".
2. The provision relating to "within 100 feet of the described premises" contained in sections A.1.a.(5)(b), A.1.b., A.1.c.(2) and the first paragraph of A.5. are revised to read "within 1,000 feet of the described premises."
3. ~~"Signs" The provisions relating to signs (other than signs attached to buildings) is deleted from Property Not Covered, section) as a type of property not covered while outside of buildings contained in sections A.2.q.(2), 2) and A.5.e. are removed.~~
4. The following Additional Coverage, Coverage Extensions, Limits of Insurance, Loss Conditions and Optional Coverages in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM are amended as shown:

Section	Coverage Description	The most we will pay provision is increased to:
A.4.a.(4)	Limits of Insurance – Debris Removal	\$50 25,000
A.4.c.	Fire Department Service Charge	\$10,000
A.4.f.(4)	Electronic Data	\$10,000
A.5.a.(1)	Newly Acquired or Constructed Property – Building	\$1,000,000
A.5.a.(2)	Newly Acquired or Constructed Property – Your Business Personal Property	\$ 500,000
A.5.a.(3)(b)	"30 days" is replaced by "90 days"	
A.5.b.	Personal Effects and Property of Others	\$ 50 25,000
A.5.c. (4)	Valuable Papers and Records (Other Than Electronic Data)	\$ 25,000
A.5.d.	Property Off-Premises	
<u>A.5.d.(1)</u>	<u>Your Covered Property is amended to include property in the care of salespersons</u>	
A.5.d.(2)	This paragraph is deleted.	
A.5.d.(3)	This limit is increased to:	\$ 50 25,000
A.5.e.	Paragraph A.5.e. is deleted; for coverage on Outside signs (A.5.j.) and Outdoor Property (A.6.g.) see the referenced paragraphs in this endorsement	\$ 5,000, but not more than \$2,500 on any one tree, shrub or plant.
C.	Limits of Insurance – Outdoor signs – This provision is amended to remove the condition that signs be attached to the building	\$ 5,000
E.7.b.	Valuation – This provision is changed to read "\$5,000 or less"	

5. The following coverages are added to Additional Coverages under section A.4.:

- g. Arson and Theft Information. We will pay the expenses to provide a reward for information leading to:
 - (1) An arson conviction in connection with a covered fire; or
 - (2) A conviction in connection with theft of Your Business Personal Property.

Costs incurred in advertising the reward are included. The most we will pay under this provision is \$25,000. This limit applies per occurrence regardless of the number of persons providing information. No deductible applies to this additional coverage.

- h. Brands and Labels. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:
 - (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - (2) Remove the brands and labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity prescribed in h.(1) or h.(2) above. But the total we pay for these costs and the value of the damage property will not exceed the applicable Limit of Insurance on such property.

- i. Business Personal Property Limit – Seasonal Automatic Increase. The limit of insurance for Your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the limit of insurance shown for Your 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.

- j. Outside Signs. You may extend the insurance provided by this Coverage Form to apply to your outside signs, whether or not such signs are attached to buildings. Outside signs are insured against all causes of loss as defined in the Cause of Loss – Special Form.
The provisions related to outdoor signs attached to buildings in item C. Limits of Insurance do not apply.

The most we will pay under this Additional Coverage is \$10,000 in any one occurrence.

- k. Fire Extinguisher Recharge. We will pay for your expense to recharge portable fire extinguishers used to fight a fire at the premises described in the Declarations or at immediately adjacent premises that expose your property to loss. The most we will pay under this provision is \$10,000. No deductible applies to this additional coverage.

- l. Inflation Guard. The Limits of Insurance for Buildings and Your Business Personal Property under the policy to which this endorsement is attached will automatically increase by an annual percentage of 4%. The amount of increase will be:

- (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
- (2) 4%, times
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance divided by 365.

6. The following coverages are added to the Coverage Extensions under Section A.5.

- g. Outdoor Property. You may extend the insurance provided by this Coverage form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants resulting from any of the "specified causes of loss" as defined in the Cause of Loss – Special Form. The most we will pay for loss or damage under this Additional Coverage is \$10,000, but not more than \$2,500 for any one tree, shrub, or plant. These limits apply to any one occurrence, regardless of the types of number of items lost or damaged in that occurrence.

- h. Accounts Receivable. You may extend the insurance that applies to Your Business Personal Property to apply to accounts receivable. We will pay:
 - (1) All amounts due you from your customers that you are unable to collect;
 - (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and

- (4) Other reasonable expenses that you incur to reestablish the records of your accounts receivable that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable. This insurance applies to accounts receivable while:
- (a) On premises scheduled in the Declarations of this policy;
 - (b) While being conveyed outside the premises; or
 - (c) While temporarily at other premises.

We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (1) Programming errors or faulty machine instructions; or
- (2) Faulty installation or maintenance of data processing equipment or component parts,

But we will pay for direct loss or damage caused by lightning.

The most we will pay under this Extension is \$50,000 at each described premises.

- i. Back Up of Sewers or Drains. You may extend the insurance that applies to property covered by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to loss or damage to your property caused by water that:

- (1) Backs up through sewers or drains; or
- (2) Enters into and overflows from within a:

- (a) Sump pump;
- (b) Sump pump well; or
- (c) Other type system;

designed to remove subsurface water from the foundation area.

The most we will pay for loss or damage under this Extension is \$~~500~~50,000.

- j. Business Income and Extra Expense. We will pay for the actual loss of Business Income, including "rental value" you sustain and Extra Expense you incur 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 property at the premises described in the Declarations. 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 ~~1,000~~500 feet of the site at which the described premises are located. 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; and
- (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

- (1) The most we will pay for loss or damage under this Extension is \$~~500~~50,000.

- (2) Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (b) Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

- (3) Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (a) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location;
- (b) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have payable under this coverage.

- (4) "Operations" means:

- (a) Your business activities occurring at the described premises; and

- (b) The tenantability of the described premises.
- (5) "Rental value" means Business Income that consists of:
 - (a) Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - (b) Continuing normal operating expenses incurred in connection with that premises, including:
 - (i) Payroll; and
 - (ii) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
- (6) "Period of restoration" means the period of time that:
 - (a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - (b) Ends on the earlier of:
 - (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (ii) The date when business is resumed at a new permanent location.

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

- (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, 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."

- (7) "Suspension" means:
 - (a) The slowdown or cessation of your business activities; or
 - (b) That a part of all of the described premises is rendered untenable.

k. Business Income from Dependent Properties. 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 "dependent property" at premises not described in the Declarations caused by or resulting from a Covered Cause of Loss. However, coverage under this extension does not apply when the only loss to "dependent property" is loss or damage to electronic data, including destruction or corruption of electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under this extension will not continue once the other property is repaired, rebuilt, or replaced. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

The following is added to the Definitions Section:

- (1) "Dependent property" means property owned or operated by others whom you depend on to:
 - (a) Deliver materials or services to you or to others for your account. But any property which delivers any of the following services is not a "dependent property" with respect to such services:
 - (i) Water supply services;
 - (ii) Power supply services; or
 - (iii) Communication supply services, including services relating to internet access or access to any electronic network.
 - (b) Accept your products or services
 - (c) Manufacture products for delivery to your customers under contract of sale; or
 - (d) Attract customers to your business.

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

- (a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and

- (b) Ends on the date when the property at the premises of the “dependent property” should be repaired, rebuilt or replaced with reasonable speed and similar quality

“Period of restoration does not include any increased period required due to the enforcement of 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, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”.

The expiration of this policy will not cut short the “period of restoration”.

We will reduce the amount of your Business Income from Dependent Properties 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.

The most we will pay for loss or damage under this Extension is \$50,000.

- l. Claim Data Expense. You may extend the insurance provided by the BUILDING AND PERSONAL PROPERTY COVERAGE FORM to apply to the expense you incur in preparing claim data when we require it. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of the loss.

The most we will pay for preparation of claim data under this Extension is \$5,000. We will not pay for any expenses billed by and payable to insurance adjusters or attorneys or any costs as provided in the Loss Condition Appraisal.

- m. Consequential Damage. You may extend the insurance that applies to Your Business Personal Property to apply to the consequential loss of your undamaged product part or parts. Consequential damage means a part or parts of your product are physically lost or damaged by a covered cause of loss causing the part or parts that are undamaged to be unmarketable as a complete product. The most we will pay for loss or damage under this Extension is \$25,000 in any one occurrence.
- n. Credit Card Slips. You may extend the insurance that applies to Your Business Personal Property to apply to amounts you are unable to collect due to loss of or damage to credit card slips while located at the described premises as a result of a Covered Cause of Loss.

It is your responsibility to establish the amount of the loss under this Extension. If that is not possible, the amount of loss will be determined as follows:

- (1) If you have been in business for more than twelve months at the location of the loss, one-thirtieth (1/30) of the average monthly amount of credit card slips will be considered as the average daily credit card slips for that location. The twelve months immediately preceding the discovery of the loss will be used to determine the average monthly amount.
- (2) If you have been in business for less than twelve months at the location of the loss, the average daily credit card slips shall be one-thirtieth (1/30) of the average monthly amount of credit card slips for the number of months you have been in business at that location.
- (3) The average daily credit card slips will be multiplied by the number of days for which slips are lost to determine the amount of the loss, subject to the maximum limit indicated below.

The most we will pay as a result of loss or damage to credit card slips under this Extension is ~~\$50,000~~ \$54,000.

No deductible applies to this Extension.

- o. Difference In Value – Leased Equipment. You may extend the insurance that applies to Your Business Personal Property to cover the difference between the amount due under a lease agreement on covered personal property on the described premises and the replacement cost or actual cash value of that leased personal property.

The most we will pay under this Extension is the greater of the:

- (1) Amount due under the terms of the lease to which your business personal property is subject, but not to include:
(a) Overdue lease payments;
(b) Financial penalties imposed under the lease due to excessive use or abnormal wear and tear; or

- (c) Security deposits not refunded by the lessor; or
 - (2) Replacement cost if that is shown in the declarations as applying to Your Business Personal Property; or
 - (3) Actual cash value if that is shown in the declarations as applying to Your Business Personal Property.
- p. Employee Theft. You may extend the insurance that applies to Your Business Personal Property to apply to loss of and or damage to “money”, “securities” and “other property” resulting directly from “theft” committed by an “employee”, whether identified or not, acting alone or in collusion with other persons.
- (1) We will not pay for loss as specified below:
 - (a) Item B.1.h., Exclusions, in the CAUSES OF LOSS – SPECIAL FORM, is replaced by the following: Loss resulting from “theft” or any other dishonest act committed by:
 - (i) You; or
 - (ii) Any of your partners or members;

whether acting alone or in collusion with other persons.
 - (b) Loss caused by an “employee” of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation; or
 - (c) 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.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.
 - (d) Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
 - (e) Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.
 - (f) Loss that is an indirect result of any act or “occurrence” covered by this insurance.
 - (g) Expenses related to any legal action.
 - (h) Loss caused by any “employee” immediately upon discovery by:
 - (i) You; or
 - (ii) Any of your partners, members, managers, officers, directors or trustees not in collusion with the “employee”;

of “theft” or any other dishonest act committed by the “employee” whether before or after becoming employed by you.
 - (2) “Employee”
 - (a) Means 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 (a) above, who is on leave; or
 - (ii) To meet seasonal or short-term work load conditions;

While that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;
 - (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 define 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 the premises.
- (f) "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 scope of the usual duties of an "employee."
- (3) "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.
- (4) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.
- (5) "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
 - (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
 but does not include "money".
- (6) "Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the insured.

The most we will pay for loss or damage under this Extension is \$~~5,000~~2,500 in any one occurrence. No deductible applies to this Extension.

"Occurrence" means all loss caused by or involving one or more "employees," whether the result of a single act or a series of acts.

- q. Fine arts. You may extend coverage that applies to Your Business Personal Property to cover loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art or rarity, having historical values or artistic merit. This Extension is subject to the following:
 - (1) Loss or damage was caused by a Covered Cause of Loss;
 - (2) The most we will pay for loss or damage under this Extension is \$25,000 at each described premises;
 - (3) Item 2.b. in Section C., Limitations, in the CAUSES OF LOSS – SPECIAL FORM, pertaining to breakage, does not apply to this coverage; and
 - (4) The following is added as item f. to paragraph 7, Valuation, of Section E. Loss Conditions, in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM: Fine Arts at market value at the time of loss or damage.
- r. Forgery or Alteration. You may extend the insurance that applies to Your Business Personal Property to loss resulting directly from "forgery" or alteration of, any checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are
 - (1) Made or drawn by or drawn upon you; or
 - (2) Made or drawn by one acting as your agent;

Or that are purported to have been so made or drawn.

If you are sued for refusing to pay any instrument covered in the paragraph above, 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 and pay in that defense.

"Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

"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.

The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000.

s. Lock Replacement. You may extend the insurance that applies to Covered Property to pay for expenses incurred to replace door locks or tumblers of your described premises due to theft of your door keys. Item 1.e. in Section C., Limitations, in the CAUSES OF LOSS – SPECIAL FORM, shall not apply to this coverage. The most we will pay under this Extension is \$10,000 in any one occurrence. A \$100 deductible applies to this Extension.

t. Money and Securities. You may extend the insurance that applies to Your Business Personal Property to apply to loss of “money”, “securities”, stamps or lottery tickets held for sale, and “other property”.

The most we will pay for loss resulting directly from “theft”, disappearance or destruction under this Extension is:

(1) \$105,000 per occurrence for money, securities, stamps and lottery tickets held for sale while located at the described premises; or

(2) \$105,000 per occurrence for money, securities, stamps and lottery tickets held for sale, and “other property” while being conveyed outside the described premises by you, your officers, your partners or your employees. However, coverage for “other property” is limited to loss or damage resulting from an actual or attempted “robbery”.

“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.

“Other property” means any tangible property other than “money” and “securities” that has intrinsic value but does not include any property excluded under this insurance.

“Robbery” means the unlawful taking of property from the care and custody of a person by one who has:

(a) Caused or threatened to cause that person bodily harm; or

(b) Committed an obviously unlawful act witnessed by that person.

“Securities” means negotiable and nonnegotiable instruments or contracts representing either “money” or property and includes:

(a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

(b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include “money”.

“Theft” means the unlawful taking of “money”, “securities”, or “other property” to the deprivation of the insured.

s. Money Orders and Counterfeit Paper Currency. You may extend the insurance that applies to Your Business Personal Property to 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” paper currency that is acquired during the regular course of business.

“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.

“Counterfeit” means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

The most we will pay for any loss under this Extension is \$5,000.

t. Ordinance or Law. You may extend the insurance that applies to Your Building only if both (1) and (2) below are satisfied and are then subject to the qualifications set forth in (3) as follows:

(1) The ordinance or law:

- (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (b) Is in force at the time of loss.

But this coverage extension applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this coverage extension.

- (2) (a) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
 - (b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
 - (c) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
- (3) In the situation described in (2)(b) above, we will not pay the full amount of loss otherwise payable under the terms of this coverage extension. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this coverage extension.

- (4) We will not pay under this coverage extension:
- (a) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by “pollutants” or due to the presence, growth, proliferation, spread or any activity of “fungus”, wet or dry rot or bacteria; or
 - (b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”, “fungus”, wet or dry rot or bacteria.
- (5) With respect to the building that has sustained covered direct physical damage, we will pay:
- (a) The loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.
 - (b) The cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property;
 - (c) The increased cost to:
 - (i) Repair or reconstruct damaged portions of that building; and/or
 - (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

When a building is damaged or destroyed and this additional coverage applies to that building in accordance with (c) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in (c) above:

- a. The cost of excavations, grading, backfilling and filling;

- b. Foundation of the building;
- c. Pilings; and
- d. Underground pipes, flues and drains.

These four items are deleted from Property Not Covered, but only with respect to the coverage described in this provision.

The most we will pay in any one occurrence for loss described in paragraph (5)(a) above is the Limit of Insurance shown in this policy's Declarations applicable to the building sustaining the loss. The coverage in paragraph (5)(a) does not increase the Limit of Insurance.

The most we will pay in any one occurrence for loss described in paragraphs (5)(b) and (5)(c) above is \$250,000.

The Coinsurance Additional Condition does not apply to (b) or (c) above.

The terms of this Extension shall apply separately to each building to which the Extension applies.

This Extension is subject to the deductible in the Commercial Property Coverage Declarations.

Tenant Glass. You may extend the insurance that applies to Your Business Personal Property to apply to Building glass, including lettering and ornamentation, for which you are responsible under a lease of premises. The most we will pay under this Extension is \$100,000 in any one occurrence is \$5,000. This Extension-

- u. The coverage in paragraph (5)(a) above is subject to these provisions:

- (1) Your responsibility for Building glass must be contained in a written lease of premises rented to you at a location included within the Limit of Insurance shown in the Declarations.
- (2) The loss or damage must be caused by or result from a Risks of Direct Physical Loss unless the loss is
 - (a) Excluded in Section B. Exclusions of the CAUSE OF LOSS – SPECIAL FORM
 - (b) Limited in Section C. Limitations of the CAUSE OF LOSS – SPECIAL FORM

Building glass losses under this Extension are subject to a \$250 deductible, regardless of the property deductible shown in the Declarations of this policy.

- v. Utility Services – Direct Damage. We will pay for loss or damage to Covered Property caused by an interruption in utility service to the premises described in the Declarations. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to utility property described below that is located off the premises described in the Declarations:

- (1) Water Supply Services, meaning the following types of property supplying water to the premises described in the Declarations:
 - (a) Pumping stations; and
 - (b) Water mains.
- (2) Communications Supply Services, meaning property supplying communication services, including telephone, radio microwave or television services to the premises described in the Declarations, such as; applicable to the covered building. The coverage in paragraph (5)(a) above does not increase the Limit of Insurance.
 - (a) communication transmission lines, including optic fiber transmission lines, but not including overhead transmission lines;
 - (b) Coaxial cables; and
 - (c) Microwave radio relays except satellites.
- (3) Power Supply Services, meaning the following types of property supply electricity, steam, or gas to the premises described in the Declarations:
 - (a) Utility generating plants;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission lines, but not including overhead transmission lines. . .

The most we will pay for loss or damage under this Extension is \$25,000. This Extension does not increase the applicable limit of insurance.

B. CAUSES OF LOSS – SPECIAL FORM is amended as shown:

F. Additional Coverage Extensions, items 1.a. and 1.c. of Property In Transit, are replaced by the following:

- a. You may extend the insurance provided by this Coverage Part to apply to Your Business Personal Property while in the care, custody or control of your salespersons or in transit more than 500 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss of damage must be caused by or result from Risks of Direct Physical Loss unless the loss is
 - (1) Excluded in Section B. Exclusions of the CAUSE OF LOSS – SPECIAL FORM
 - (2) Limited in Section C. Limitations of the CAUSE OF LOSS – SPECIAL FORM
- c. The most we will pay for loss or damage under this Extension is \$50,000.

C. If the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is attached to this policy, the following provisions apply:

1. The following coverage is added to Additional Coverages under Section A.5.:

- e. Utility Services – Time Element. Your coverage for Business Income and/or Extra Expense, as provided and limited in the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or the BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM is extended to apply to a “suspension” of “operations” at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss as defined by the CAUSE OF LOSS – SPECIAL FORM to the following types of property that is located outside of a covered building described in the Declarations:
 - (1) Water Supply Services, meaning the following types of property supplying water to the described premises:
 - (a) Pumping stations; and
 - (b) Water Mains
 - (2) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - (a) Communication transmission lines, including optic fiber transmission lines, but not including overhead transmission lines;
 - (b) Coaxial cables; and
 - (c) Microwave radio relays except satellites.
 - (3) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (a) Utility generating plans;
 - (b) Switching stations;
 - (c) Substations;
 - (d) Transformers; and
 - (e) Transmission lines, but not including overhead transmission lines.

The coinsurance Additional Condition does not apply to this Additional Coverage.

The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000. This limit is part of, and not in addition to, the Limit of Insurance for Business Income (With Extra Expense) or Business Income (Without Extra Expense) stated in the Declarations as applicable to described premises.

2. The provision related to “within 100 feet of the site at which the described premises are located” in Sections A.1. and A.5.b.(3) are revised to read “within 1,000 feet of the site at which the described premises are located.
3. The provision relating to “30 consecutive days” in section A.5.c.(1)(b)(ii) is revised to read “60 consecutive days”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL VACANCY PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

E. Loss Conditions is replaced as follows:

6. 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 only pay for any loss or damage caused by any of the following only if they are Covered Causes of Loss and they exceed the special vacancy deductible amount that follows:

- (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%.

(3) Special Vacancy Deductible

In any one occurrence of loss or damage covered under Vacancy Provision **6.b. (1) (a)** through **(f)** (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the special vacancy deductible of \$5,000, we will not pay for that loss. If the adjusted amount of loss exceeds the special vacancy deductible of \$5,000, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

Policyholder Disclosure – Notice Of Terrorism Insurance Coverage

You are hereby notified that under the Terrorism Risk Insurance Act (Act), as extended on December 22, 2005, you have a right to purchase insurance coverage for losses arising out of acts of terrorism, *as defined in Section 102(1) of the Act*. The term “act of terrorism” means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that coverage provided by this policy for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% (adjusted to 85% in 2007) of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided on the policy Declarations page and does not include any charges for the portion of loss covered by the federal government under the act.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

The provisions of the Terrorism Risk Insurance Act can limit our maximum liability for payment of losses from certified acts of terrorism. That determination will be based on a formula set forth in the law involving the national total of federally insured terrorism losses in an annual period and individual insurer participation in payment of such losses. If one or more certified acts of terrorism in an annual period causes the maximum liability for payment of losses from certified acts of terrorism to be reached, and we have satisfied our required level of payments under the law, then we will not pay for the portion of such losses above that maximum. However, that is subject to possible change at that time, as Congress may, under the Act, determine that payments above the cap will be made.

Selection of terrorism insurance coverage

The portion of your annual policy premium that is attributable to coverage for certified acts of terrorism is shown on the declarations page. *If you wish to reject this coverage, please read and complete the form below.*

Rejection of terrorism insurance coverage

You may elect to decline coverage for certified acts of terrorism. However, if your policy covers property located in a state with a fire following statutory requirement, the terrorism exclusion makes an exception for fire losses to such covered property resulting from certified acts of terrorism. If you choose to decline coverage for certified

acts of terrorism, that rejection is not applicable to fire losses to property in those states resulting from certified acts of terrorism, unless excepted by statute or other regulatory means. A separate premium is displayed on the declarations page for coverage for fire losses that result from certified acts of terrorism.

If you purchase this coverage on an umbrella policy, you must also purchase this coverage for any underlying liability and/or commercial auto liability policies.

In the context of a newly issued policy or renewal offer, this form becomes part of the application for this coverage.

To reject coverage, you must 'X' the box below, sign your name, print your name, date this form and return it to the company within 30 days. If you choose not to reject this coverage, you do not need to return this form.

ق	I hereby elect to exclude losses arising from certified acts of terrorism. I understand that if I exclude certified acts of terrorism coverage, coverage will not be available until my next renewal.
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Policyholder/Applicant's Signature

Insurance Company

Print Name

Policy Number

Date

<State Code> - <Agency Code>
<Agency Name>
<Address>
<City, State Zip>
<Phone Number>

Text Comparison

Documents Compared

PN 00 83 08 03 TRIA - New & Renewal.pdf - Adobe Acrobat Professional

PN 00 83 01 07 TRIA Disclosure - New Renewal.pdf - Adobe Acrobat Professional

Summary

53 word(s) added

28 word(s) deleted

694 word(s) matched

8 block(s) matched

To see where the changes are, scroll down.

Policyholder Disclosure – Notice Of Terrorism Insurance Coverage

You are hereby notified that under the Terrorism Risk Insurance Act (~~Act~~ of 2002, effective ~~November 26, 2002~~, ~~that you now~~ have a right to purchase insurance coverage for losses arising out of acts of terrorism, *as defined in Section 102(1) of the Act*. The term “act of terrorism” means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that coverage provided by this policy for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided ~~below~~ and does not include any charges for the portion of loss covered by the federal government under the act.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

The provisions of the Terrorism Risk Insurance Act ~~of 2002~~ can limit our maximum liability for payment of losses from certified acts of terrorism. That determination will be based on a formula set forth in the law involving the national total of federally insured terrorism losses in an annual period and individual insurer participation in payment of such losses. If one or more certified acts of terrorism in an annual period causes the maximum liability for payment of losses from certified acts of terrorism to be reached, and we have satisfied our required level of payments under the law, then we will not pay for the portion of such losses above that maximum. However, that is subject to possible change at that time, as Congress may, under the Act, determine that payments above the cap will be made.

Selection of terrorism insurance coverage

The portion of your annual policy premium that is attributable to coverage for certified acts of terrorism is shown on the declarations page. *If you wish to reject this coverage, please read and complete the form below.*

Rejection of terrorism insurance coverage

You may elect to decline coverage for certified acts of terrorism. However, if your policy covers property located in a state with a fire following statutory requirement, the terrorism exclusion makes an exception for fire losses to such covered property resulting from certified acts of terrorism. If you choose to decline coverage for certified acts of terrorism, that rejection is not applicable to fire losses to property in those states resulting from certified

Policyholder Disclosure – Notice Of Terrorism Insurance Coverage

You are hereby notified that under the Terrorism Risk Insurance Act (Act), as extended on December 22, 2005, you have a right to purchase insurance coverage for losses arising out of acts of terrorism, *as defined in Section 102(1) of the Act*. The term “act of terrorism” means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that coverage provided by this policy for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% (adjusted to 85% in 2007) of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided on the policy Declarations page and does not include any charges for the portion of loss covered by the federal government under the act.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

The provisions of the Terrorism Risk Insurance Act can limit our maximum liability for payment of losses from certified acts of terrorism. That determination will be based on a formula set forth in the law involving the national total of federally insured terrorism losses in an annual period and individual insurer participation in payment of such losses. If one or more certified acts of terrorism in an annual period causes the maximum liability for payment of losses from certified acts of terrorism to be reached, and we have satisfied our required level of payments under the law, then we will not pay for the portion of such losses above that maximum. However, that is subject to possible change at that time, as Congress may, under the Act, determine that payments above the cap will be made.

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acts of terrorism, unless excepted by statute or other regulatory means. A separate premium is displayed on the declarations page for coverage for fire losses that result from certified acts of terrorism.

If you purchase this coverage on an umbrella policy, you must also purchase this coverage for any underlying liability and/or commercial auto liability policies.

In the context of a newly issued policy or renewal offer, this form becomes part of the application for this coverage.

To reject coverage, you must 'X' the box below, sign your name, print your name, date this form and return it to the company within 30 days. If you choose not to reject this coverage, you do not need to return this form.

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Policyholder/Applicant's Signature

Insurance Company

Print Name

Policy Number

Date

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Policyholder/Applicant's Signature

Insurance Company

Print Name

Policy Number

Date

<State Code> - <Agency Code>
<Agency Name>
<Address>
<City, State, Zip>
<Phone Number>

Rate Information

Rate data does NOT apply to filing.

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty

Review Status: Approved 08-08-2007

Comments:

Attachment:

AR Transmittal Header.pdf

Satisfied -Name: Forms List, Exhibit I

Review Status: Approved 08-08-2007

Comments:

Attachment:

Exhibit I Forms List.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
State Auto Insurance Companies	175

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
State Automobile Mutual Ins. Co.	Ohio	25135	31-4316080	
State Auto Property & Casualty Ins. Co.	Iowa	25127	57-6010814	

5. Company Tracking Number	SAC-CP-2007-649, SAMM-125254872
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Kathy Hartwell State Auto Insurance Companies 518 E. Broad St., Cols, OH 43215	Supervisor, State Filings	800-695-9436	614-719-0299	Kathy.hartwell@stateauto.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Kathy Hartwell

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	01.0 Property
10. Sub-Type of Insurance (Sub-TOI)	01.0001 Commercial Property
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Commercial Property
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 09-01-2007 Renewal: 10-26-2007
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	08-07-2007
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking # SAC-CP-2007-649

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

With this filing State Auto is implementing changes to our forms/endorsements (and rules and rates by separate letter).

1. "Plus" Enhancements

We are enhancing proprietary endorsements referred to as "Plus" forms. These are endorsements that package together several enhancements. This revision will add additional coverages and increase the limits on others. There is no rate impact with the changes to these endorsements.

New Ed	Old Ed	Description	Broadening, Restriction or Clarification
SP 10 06 06 07	SP 10 06 01 05	Property Plus Endorsement	Broadening
SP 10 07 06 07	SP 10 07 01 05	Property Plus Extension Endorsement	Broadening

2. Enhanced Equipment Breakdown Endorsement

We currently offer Equipment Breakdown as an optional coverage. This endorsement is being revised to increase the sub-limited coverages.

The rule for this coverage is amended to remove rating methodology "A". All of the Equipment Breakdown coverage will be rated using rates and rules outlined in Method "B". We are not changing any of the rates previously approved for Method "B". We have renumbered the rules in the manual page. All policies rated under Method A will be converted to Method B upon renewal. The impact of converting policies from Method A to Method B is -40.78% on our Equipment Breakdown book of business.

New Ed	Old Ed	Description	Broadening, Restriction or Clarification
SP 00 08 06 07	SP 00 08 09 02	Equipment Breakdown Coverage	Broadening

3. Special Vacancy Provisions

We will also make available a new proprietary endorsement to enable stated causes of loss to apply in excess of a deductible when a building is termed to be vacant. The premium for this endorsement will require referral to the company to evaluate the exposure to determine if an additional charge will apply.

New Ed	Old Ed	Description	Broadening, Restriction or Clarification
SP 10 09 06 07	new	Special Vacancy Provisions	Broadening

4. Terrorism

We are also filing endorsements and manual revisions to address the change from the original Terrorism Risk Insurance Act of 2002 (TRIA) to the changes introduced by the extension referred to as Terrorism Risk Insurance Extension Act of 2005 (TRIEA) and the possible sunset of coverage on December 31, 2007. This change addresses language amendments. Please see attached Forms List, Exhibit I.

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: EFT
Amount: \$50.00

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

PC TD-1 pg 2 of 2

FORM FILING SCHEDULE

(This form must be provided **ONLY** when making a filing that includes forms)
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	SAC-CP-2007-649
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	N/A
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Conditional Exclusion of Terrorism	IL 09 95 01 07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	IL 09 95 05 04	
02	Disclosure Of Premium And Estimated Premium For Certified Acts Of Terrorism Cov	IL 09 99 01 07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	IL 09 99 05 04	
03	Policyholder Disclosure – Notice Of Terrorism Insurance Coverage	PN 00 83 06 07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	PN 00 83 08 03	
04	Equipment Breakdown Coverage	SP 00 08 06 07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	SP 00 08 09 02	
05	Property Plus Endorsement	SP 10 06 06 07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	SP 10 06 01 05	
06	Property Plus Extension	SP 10 07 06 07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	SP 10 07 01 05	
07	Special Vacancy Provisions	SP 10 09 06 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

2007 Countrywide Fire and Allied Lines Form Changes

Form	Replaces	Form Title
IL 09 95 01 07	IL 09 95 05 04	Conditional Exclusion Of Terrorism (Relating To Disposition Of Federal Terrorism Risk Insurance Act of 2002)
IL 09 99 01 07	IL 09 99 05 04	Disclosure Of Premium And Estimated Premium For Certified Acts Of Terrorism Coverage (Pursuant To Terrorism Risk Insurance Act)
PN 00 83 01 07	PN 00 83 08 03	Policyholder Disclosure – Notice Of Terrorism Insurance Coverage
SP 00 08 06 07	SP 00 08 09 02	Equipment Breakdown Coverage
SP 10 06 06 07	SP 10 06 01 05	Property Plus Endorsement
SP 10 07 06 07	SP 10 07 01 05	Property Plus Extension Endorsement
SP 10 09 06 07	New	Special Vacancy Provisions