

SERFF Tracking Number: GCCW-125381493 State: Arkansas
First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50
Company Tracking Number: 020108 10360R
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package
Liability
Product Name: Comprehensive Insurance Policy Forms
Project Name/Number: /020108 10360R

Filing at a Glance

Companies: General Casualty Company of Wisconsin, Regent Insurance Company

Product Name: Comprehensive Insurance SERFF Tr Num: GCCW-125381493 State: Arkansas

Policy Forms

TOI: 05.0 Commercial Multi-Peril - Liability & SERFF Status: Closed State Tr Num: EFT \$50
Non-Liability

Sub-TOI: 05.0003 Commercial Package Co Tr Num: 020108 10360R State Status: Fees verified and received

Filing Type: Form Co Status: Reviewer(s): Betty Montesi,
Llyweyia Rawlins, Brittany Yielding

Author: Sharon Reeve Disposition Date: 01/15/2008

Date Submitted: 01/04/2008 Disposition Status: Approved

Effective Date Requested (New): 02/01/2008 Effective Date (New): 02/01/2008

Effective Date Requested (Renewal): 04/01/2008 Effective Date (Renewal):
04/01/2008

State Filing Description:

General Information

Project Name:

Project Number: 020108 10360R

Reference Organization:

Reference Title:

Filing Status Changed: 01/15/2008

State Status Changed: 01/14/2008

Corresponding Filing Tracking Number:

Filing Description:

Re: General Casualty Company of Wisconsin

FEIN# 39-0301590, NAIC# 400-24414

Regent Insurance Company

FEIN# 3939-6062860, NAIC# 400-24449

Status of Filing in Domicile: Authorized

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

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Comprehensive Insurance Policy Forms

Company Filing # 020108 10360R

Effective Date: 02/01/2008

Dear Commissioner,

Attached is a Forms Filing for package forms in our Comprehensive Insurance Policy package program. This includes filings for our two companies, General Casualty Company of Wisconsin and Regent Insurance Company. We are filing to update our company generated forms, since our filings have not been kept up to date in the past. The attached lists include all previously filed forms with their status – some are being withdrawn as out of date. We are attaching copies of only those forms shown as “NEW” or “REPLACEMENT”. We would like this filing to be effective February 1, 2008 for New Business and April 1, 2008 for Renewal business.

Please review the attached lists along with the sample forms. We hope you will be able to approve our filings, but please advise if you have any questions or need any additional information.

Sincerely,

Sharon Reeve
System Support Specialist
Home Office Commercial Lines
Telephone (608) 825-5970

Company and Contact

Filing Contact Information

Sharon Reeve, Rate Development Technician sharon.reeve@generalcasualty.com
One General Drive (608) 825-5970 [Phone]
Sun Prairie, WI 53596 (608) 825-5100[FAX]

Filing Company Information

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General Casualty Company of Wisconsin One General Drive Sun Prairie, WI 53596 (608) 837-4440 ext. [Phone]	CoCode: 24414 Group Code: 796 Group Name: FEIN Number: 39-0301590 -----	State of Domicile: Wisconsin Company Type: Property & Casualty State ID Number:
Regent Insurance Company One General Drive Sun Prairie, WI 53596 (608) 837-4440 ext. [Phone]	CoCode: 24449 Group Code: 796 Group Name: FEIN Number: 39-6062860 -----	State of Domicile: Wisconsin Company Type: Property & Casualty State ID Number:

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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: \$50.00 per submission.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
General Casualty Company of Wisconsin	\$50.00	01/04/2008	17344174
Regent Insurance Company	\$0.00	01/04/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	01/15/2008	01/15/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Policy Jacket Form		Sharon Reeve	01/14/2008	01/14/2008
CIP Property Form		Sharon Reeve	01/14/2008	01/14/2008
Coverage Extension				
Endorsement				

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Missing Forms	Note To Filer	Llyweyia Rawlins	01/14/2008	01/14/2008

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Disposition

Disposition Date: 01/15/2008
Effective Date (New): 02/01/2008
Effective Date (Renewal): 04/01/2008
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Forms List	Approved	Yes
Form	Product Recall Expense Coverage Form	Approved	Yes
Form	Product Recall Expense Coverage Part Declarations	Approved	Yes
Form	Golf Course Limited Pollution Endorsement	Approved	Yes
Form	Golfmaster Property Supplemental Declarations	Approved	Yes
Form	Golfmaster Property Extension Endorsement	Approved	Yes
Form	Transit – Refrigeration Breakdown Coverage	Approved	Yes
Form	Restaurant Program – House Specials	Approved	Yes
Form	Wholesale Distributors Program Supplemental Declarations	Approved	Yes
Form	Wholesale Distributors Program Property Coverage Extension Endorsement	Approved	Yes
Form	Food Processors Program Property Coverage Extension Endorsement	Approved	Yes
Form	Food Processors Program Optional Coverage Declarations	Approved	Yes
Form	Metalworkers Program Property Coverage Extension Endorsement	Approved	Yes
Form	CIP Preferred Property Coverage Extension Endorsement	Approved	Yes
Form	Policy Jacket	Approved	Yes
Form	CIP Property Coverage Extension Endorsement	Approved	Yes

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Amendment Letter

Amendment Date:
 Submitted Date: 01/14/2008

Comments:

Dear Llweyia Rawlins,

Please see the attached forms CI 7900 0400 and CP 7950 0206.

Sincerely,

Sharon Reeve

Changed Items:

Form Schedule Item Changes:

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
Policy Jacket	CI 7900	0400	Other	Replaced			0	CI 7900 Policy Jacket.pdf
CIP Property Coverage Extension Endorsement	CP 7950	0206	Endorsement/Amendment/Conditions	Replaced			0	CP7950 Rev 0206 pdf.pdf

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Note To Filer

Created By:

Llyweyia Rawlins on 01/14/2008 11:02 AM

Subject:

Missing Forms

Comments:

Per your note on the General Information tab and the Form Filing Schedule I am missing two replacement forms.
Comprehensive Ins. Policy Jacket - CI 7900 0400
CIP Property Cov. Extension End. - CP 7950 0206

Please attach these forms so I may complete reviewing your filing.

Thank You

Llyweyia Rawlins

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Product Recall Expense Coverage Form	CG 8000	0902	Endorsement/Amendment/Conditions	New	0.00	CG 8000 0902.pdf
Approved	Product Recall Expense Coverage Part Declarations	CG 8006	0794	Endorsement/Amendment/Conditions	New	0.00	CG 8006 0794.pdf
Approved	Golf Course Limited Pollution Endorsement	CG 8109	0306	Endorsement/Amendment/Conditions	New	0.00	CG 8109 0306 GOLF COURSE LIMITED POLLUTION .pdf
Approved	Golfmaster Property Supplemental Declarations	CP 7911	1298	Endorsement/Amendment/Conditions	New	0.00	CP 7911 1298.pdf
Approved	Golfmaster Property Extension Endorsement	CP 7963	0201	Endorsement/Amendment/Conditions	New	0.00	CP7963-Golf Ext.pdf
Approved	Transit – Refrigeration Breakdown Coverage	CP 7964	0198	Endorsement/Amendment/Conditions	New	0.00	CP 7964 0198.pdf
Approved	Restaurant Program – House Specials	CP 7965	0201	Endorsement/Amendment/Conditions	New	0.00	CP 7965 0201.pdf
Approved	Wholesale Distributors	CP 7970	1297	Endorsement/Amendment	New	0.00	CP 7970 1297.pdf

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	Program			ent/Condi			
	Supplemental			ons			
	Declarations						
Approved	Wholesale Distributors Program Property Coverage Extension Endorsement	CP 7971	0206	Endorsement/New	0.00		CP7971 Rev 0206 pdf.pdf
Approved	Food Processors Program Property Coverage Extension Endorsement	CP 7975	0206	Endorsement/New	0.00		CP 7975 0206.pdf
Approved	Food Processors Program Optional Coverage Declarations	CP 7977	1297	Endorsement/New	0.00		CP 7977 1297.pdf
Approved	Metalworkers Program Property Coverage Extension Endorsement	CP 7981	0206	Endorsement/New	0.00		CP7981 Revision 0206.pdf
Approved	CIP Preferred Property Coverage Extension Endorsement	CP 7995	0206	Endorsement/New	0.00		CP7995-Rev 0206 pdf.pdf
Approved	Policy Jacket	CI 7900	0400	Other Replaced	Replaced Form #:0.00		CI 7900 Policy Jacket.pdf
Approved	CIP Property Coverage Extension Endorsement	CP 7950	0206	Endorsement/Replaced	Replaced Form #:0.00		CP7950 Rev 0206 pdf.pdf
					Previous Filing #:		
					Previous Filing #:		

PRODUCT RECALL EXPENSE COVERAGE FORM

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

Throughout this policy the words “you” and “your” refer to the Named Insured shown in the Declarations. The words “we”, “us” and “our” refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V — DEFINITIONS**.

SECTION I — COVERAGE

1. Insuring Agreement

- a. We will indemnify you for “product recall expense” which you incur as the result of a “covered incident”.
- b. The amount that we will pay for “product recall expense” is limited as described in **SECTION III — LIMITS OF INSURANCE**.

2. Exclusions

This insurance does not apply to:

- a. Any “product recall expense” incurred as a result of any condition likely to cause a loss that was known or should have been known by you to exist prior to the effective date of this coverage part;
- b. Any “product recall expense” incurred for the recall of any product or batch of products that is known not to be defective;
- c. Any “product recall expense” incurred for the recall of any product that was distributed after the determination was made that a recall was necessary;
- d. The failure of “your product” to accomplish its intended purpose or for any breach of warranty;
- e. Any “product recall expense” resulting from the recall of “your product” made necessary only because the product has exceeded its shelf life or has become obsolete;
- f. Any “product recall expense” resulting from “tampering” by or with the prior knowledge of you or any of your owners, partners, directors or officers.

SECTION II — PARTICIPATION PERCENTAGE

The amount that we will pay for “product recall expense” will be reduced by the Participation Percentage stated in the declarations.

SECTION III — LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Product Recall Expense Declarations and the rules below determine the most that we will pay as “product recall expense” after the application of the Participation Percentage regardless of the number of:
 - a. Named Insureds; or
 - b. Persons or organizations who sustain expenses; or
 - c. Products or types of products simultaneously recalled.
2. The Aggregate Limit is the most that we will pay for “product recall expense” regardless of the number of “covered incidents”.
3. Subject to the Aggregate Limit described in 2. above, the Each Covered Incident Limit is the most that we will pay for “product recall expense” arising out of any one “covered incident”. All recalls of any product or related products resulting from the same cause shall be considered one “covered incident”.

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV — CONDITIONS

We have no duty to provide coverage under this Coverage Part unless you have fully complied with the Conditions contained in the Coverage Part.

1. Bankruptcy

Your bankruptcy or insolvency will not relieve us of our obligations under this insurance.

2. Duties In The Event of a Covered Incident

When a “covered incident” has occurred or you become aware of circumstances that may result in a “covered incident” you must:

- a. Notify us promptly in writing;
- b. Cease the shipping, distribution or release of any of “your product” that may be defective until it has been determined that such products are free from any defect that may cause a loss under this Coverage Part;

- c. Cooperate with us in the investigation and settlement of the claim;
- d. As often as may be reasonably required, permit us to inspect any of “your product” claimed to be defective and take samples for testing and analysis;
- e. Permit us to view your books and records for the purpose of determining the extent of the loss.

3. Other Insurance

This insurance will be excess over any other applicable insurance unless such other insurance was specifically purchased as excess over this insurance.

4. Transfer of Rights of Recovery Against Others To Us

If we pay a claim under this insurance and you have rights to recover damages from another, those rights are transferred to us to the extent of our payment. You must do nothing after a loss to impair these rights.

5. Abandonment

There can be no abandonment of property to us.

6. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such time as we may request.

SECTION V — DEFINITIONS

- 1. “Bodily Injury” means bodily injury, sickness, or disease sustained by a person, including death resulting from these at any time.
- 2. “Covered incident” means a determination during the policy period by you or by a governmental authority that the use or consumption of “your product” could result in “bodily injury” or “property damage” which necessitates the recovery of possession of control of “your product” from any distributor, purchaser or user, or the destruction of such products because of:

- a. The accidental omission of a substance in the manufacture of “your product”; or
- b. The accidental introduction or substitution of a substance in the manufacture of “your product”; or
- c. An error in the manufacture, blending, mixing, compounding, labeling or storage of “your product”; or
- d. “Tampering”.

For the purposes of this definition a determination has occurred when a governmental authority has requested you to conduct a recall or you have publicly announced your intention to conduct a recall.

3. “Product recall expense” means the reasonable and necessary costs incurred by you for the recall of “your product” consisting of any of the following:

- a. Postage, printing, telephone communication charges, or the cost of radio, television or newspaper advertisements to announce the recall or to give instructions to consumers or distributors regarding the necessary return or destruction of any recalled product;
- b. The cost of shipping “your product” from any purchaser, distributor or user to the place or places designated by you including reasonable charges made by the purchaser, distributor or user for their actual expenses associated with preparing the shipment;
- c. Wages paid to your temporary employees;
- d. Wages paid to your regular employees, other than your salaried employees, for overtime work;
- e. Travel expenses incurred by you or your employees;
- f. Rental and utility expenses incurred by you for temporary storage facilities; or
- g. The actual cost of disposal of “your product”, but only to the extent that specific methods of destruction or disposal other than those usually employed for trash disposal are required to avoid “bodily injury” to any person or “property damage” to the property of others;
- h. Reasonable charges made to you by the purchaser, distributor, or user of “your product” for their actual expenses or preparing “your product” for disposal;

but only when such costs or expenses are incurred exclusively for the purpose of or as a direct result of the recall of “your product”.



4. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property.
 - b. Loss of use of tangible property that is not physically injured.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

5. "Tampering" means an actual or alleged, intentional, malicious and wrongful alteration or contamination of "your product" which renders it unfit or dangerous for use of consumption or conveys that impression to the public.
6. "Your product" means:
- a. Any goods or products, other than real property, manufactured, sold, handled or distributed by or for you; and
 - b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

POLICY NUMBER	POLICY PERIOD	COVERAGE IS PROVIDED IN THE	AGENCY
NAMED INSURED AND ADDRESS			AGENT

PRODUCT RECALL EXPENSE COVERAGE PART DECLARATIONS

LIMITS OF INSURANCE

AGGREGATE LIMIT \$
 EACH COVERED INCIDENT LIMIT \$

PARTICIPATION PERCENTAGE 20%

PREMIUM

TOTAL ADVANCE PREMIUM FOR THIS COVERAGE PART \$

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GOLF COURSE LIMITED POLLUTION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Schedule

Each Occurrence Limit	\$
Annual Aggregate Limit	\$

A. Paragraph (1) Subparagraph (a) Item (iv) of Exclusion f. of Coverage A, Bodily Injury and Property Damage is added.

(iv) "Bodily injury" or "property damage" arising out of a "pollution incident":

- (a)** on or from your golf course in the "coverage territory";
- (b)** that is demonstrable as beginning and ending within 72 hours; and
- (c)** that is accidental from the standpoint of the insured;
- (d)** and happens entirely above ground.

B. SECTION III — LIMITS OF INSURANCE is amended to include:

- 8.** Subject to **2.** or **3.** above, whichever applies, the amount shown in this endorsement as the Annual Aggregate Limit is the most we will pay for all damages because of "bodily injury" or "property damage" arising out of a "pollution incident".

- 9.** Subject to **4., 5.** or **8.** above, whichever applies, the amount shown in this endorsement as the Each Occurrence Limit is the most we will pay for all damages for any one "occurrence" because of "bodily injury" or "property damage" arising out of a "pollution incident".

C. SECTION V — DEFINITIONS is amended to include the following:

"Pollution incident" means the actual or alleged accidental emission, discharge, release or escape of "golf course pollutants" from your golf course. All "bodily injury" and "property damage" arising out of one accidental emission, discharge, release or escape of "golf course pollutants" shall be deemed to arise out of one occurrence.

"Golf course pollutants" mean any solid, liquid, gaseous or thermal pesticide, herbicide, fertilizer, nematocide, fungicide or fuels, lubricants, fluids, exhaust gases or other similar products that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the premises or equipment necessary for its upkeep and maintenance.

POLICY NUMBER	POLICY PERIOD	COVERAGE IS PROVIDED IN THE		AGENCY
NAMED INSURED AND ADDRESS			AGENT	

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

GOLFMMASTER PROPERTY SUPPLEMENTAL DECLARATIONS

THE FOLLOWING COVERAGES APPLY TO ALL LOCATIONS:

BUSINESS INCOME AND EXTRA EXPENSE

LIMIT OF INSURANCE – ACTUAL BUSINESS LOSS SUSTAINED, NOT EXCEEDING 12 MONTHS

THE FOLLOWING INCREASED LIMIT OPTIONS APPLY ONLY WHEN INDICATED BY AN (X) BELOW:

	LIMITS OF INSURANCE
() PERSONAL PROPERTY OF OTHERS	\$
() PERSONAL PROPERTY OF OTHERS – PER PERSON SUBLIMIT	\$ 2,000
() TREES, SHRUBS AND PLANTS	\$
() GOLF COURSE OUTDOOR PROPERTY	\$
() MOTORIZED GOLF CARTS	\$
() GOLF COURSE GROUNDS – TEES TO GREENS	\$

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GOLFMMASTER PROPERTY EXTENSION ENDORSEMENT

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

- I. Paragraphs **a. Debris Removal** and **c. Fire Department Service Charge** from section **A.4. Additional Coverages** in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM are deleted and replaced by the following:

A. DEBRIS REMOVAL

1. Subject to paragraphs **3.** and **4.**, we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
 - a. The date of direct physical loss or damage; or
 - b. The end of the policy period.
2. Debris Removal does not apply to costs to:
 - a. Extract "pollutants" from land or water; or
 - b. Remove, restore or replace polluted land or water.
3. Subject to the exception in paragraph **4.**, the following provisions apply:
 - a. The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - b. Subject to **a.** above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
4. We will pay up to an additional \$15,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

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

Therefore, if **4.a.** and/or **4.b.** apply, our total payment for direct physical loss or damage and debris removal expense may reach, but will never exceed, the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$15,000.

5. Examples:

The following examples assume that there is no coinsurance penalty.

Example #1

Limits of Insurance	\$90,000
Amount of Deductible	\$ 500
Amount of Loss	\$50,000
Amount of Loss Payable	\$49,500
	(\$50,000 - \$500)
Debris Removal Expense	\$10,000
Debris Removal Expense Payable	\$10,000
	(\$10,000 is 20% of \$50,000)

The debris removal expense is less than 25% of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense ($49,500 + \$10,000 = \$59,500$) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of paragraph **3.**

Example #2

Limits of Insurance	\$90,000
Amount of Deductible	\$ 500
Amount of Loss	\$80,000
Amount of Loss Payable	\$79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$30,000
Debris Removal Expense Payable	
Basic Amount	\$10,500
Additional Amount	\$15,000

The basic amount payable for debris removal expense under the terms of paragraph 3. Is calculated as follows: $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of paragraph 4. because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense ($\$79,500 + \$30,000 = \$109,000$) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$15,000, the maximum payable under paragraph 4. Thus the total payable for debris removal expense in this example is \$25,500; \$4,500 of the debris removal expense is not covered.

B. FIRE DEPARTMENT SERVICE CHARGE

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$10,000 for your liability for fire department service charges:

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

No Deductible applies to this Additional Coverage.

- II. Paragraph A.4. Additional Coverages in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended to include:

A. BUSINESS INCOME

1. COVERAGE

- a. We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 1,000 feet of the site at which the described premises are located.

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

1. The portion of the building which you rent, lease or occupy; and
2. 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.

We will only pay for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage.

Business Income means the:

1. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 2. Continuing normal operating expenses incurred, including payroll; and
 3. "Rental value".
- b. Additional Coverages
- (1) Extra Expense

We will pay the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 1,000 feet, of the site at which the described premises are located.

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

- (a) That portion of the building which you rent, lease or occupy; or
- (a) 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.

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.

- (a) We will pay any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":
 - (i) At the described premises; or
 - (ii) At replacement premises or at temporary locations, including:
 - i. Relocation Expenses; and
 - ii. Costs to equip and operate the replacement or temporary locations;
- (b) We will pay any Extra Expense to minimize the "suspension" of business if you cannot continue "operations"; or
- (c) We will pay any Extra Expense to:
 - (i) Repair or replace any property; or

- (ii) Research, replace, or restore the lost information on damaged valuable papers and records; to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

(2) Extended Business Income

- (a) Business Income other than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this endorsement, we will pay for the actual loss of Business Income you incur during the period that:

- (i) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (ii) Ends on the earlier of:
 - i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical damage had occurred; or
 - ii. 60 consecutive days after the date determined in **(a)(i)** above.

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

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

- (b) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this endorsement, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (i) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (ii) Ends on the earlier of:
 - i. The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - ii. 60 consecutive days after the date determined in **(b)(i)** above.

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

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

(3) Alterations and New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (a) New buildings or structures, whether complete or under construction;
- (b) Alterations or additions to existing buildings or structures; and
- (c) Machinery, equipment, supplies or building materials located on or within 1,000 feet of the described premises and:
 - (i) Used in construction, alterations or additions; or
 - (ii) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

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c. Coverage Extension

(1) Newly Acquired Locations

- (a) You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- (b) The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- (c) Insurance under this Extension for each newly acquired locations will end when any of the following first occurs:
 - (i) This policy expires;
 - (ii) 30 days after you acquire or begin to construct the property; or
 - (iii) You report values to us.

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

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. LOSS CONDITIONS

- a. Paragraph 2. Appraisal of section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by:

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge or a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- (1) Pay its chosen appraiser; or
- (2) Bear the other expenses of the appraiser and umpires equally.

If there is an appraisal, we will still retain our rights to deny the claim.

b. Paragraph 3. Duties in the Event Of Loss of section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by:

(1) You must see that the following are done in the event of loss:

- (a)** Notify the policy if a law may have been broken.
- (b)** Give prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (c)** As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (d)** Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (e)** As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis and permit us to make copies from your books and records.
- (f)** Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (g)** Cooperate with us in the investigation or settlement of the claim.
- (h)** If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

(2) We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

c. Section E. LOSS CONDITIONS of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended to include:

(1) Limitation — Electronic Media and Records

We will not pay for loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- (a)** 60 consecutive days from the date of direct physical loss or damage; or
- (b)** The period beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (i)** Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (ii)** Data stored on such media; or
- (iii)** Programming records used for electronic data processing or electrically controlled equipment.

This limitation does not apply to Extra Expense.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will pay for the Business Income loss sustained during the period from June 1 — September 1. Loss during the period September 2 — October 1 is not covered.

Example No.2:

A Covered Cause of Loss results in the loss of data processing records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 — September 29 (60 consecutive days). Loss during the period September 30 — October 15 is not covered.

(2) Loss Determination

(a) The amount of business Income will be determined based on:

- (i) The Net Income of the business before the direct physical loss or damage occurred;
- (ii) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (iii) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (iv) Other relevant sources of information including:
 - i. Your financial records and accounting procedures;
 - ii. Bill, invoice and other vouchers; and
 - iii. Deeds, liens or contracts.

(b) The amount of Extra Expense will be determined based on:

- (i) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

- i. The salvage value that remains of any property bought for temporary use during the "period of restoration," once "operations" are resumed; and

- ii. Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- (ii) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

(c) Resumption of Operations

We will reduce the amount of your:

- (i) Business Income loss, other than Extra Expense, to the extent you can resume your "operations," in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

- (ii) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- (d) If you do not resume "operations," or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

(3) Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all the terms of this Additional Coverage and:

- (a) We have reached agreement with you on the amount of loss; or

- (b) An appraisal award has been made.

3. DEFINITIONS

a. "Finished Stock" means stock you have manufactured.

"Finished Stock" also includes whisky and alcoholic products being aged.

"Finished Stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Additional Coverage.

b. "Operations" means:

- (1) Your business activities occurring at the described premises; and
- (2) The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

c. "Period of Restoration" means the period of time that:

- (1) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- (2) Ends on the earlier of:
 - (a) The date the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (b) 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:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) 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".

d. "Rental Value" means the:

- (1) Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, and
- (2) Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations, and
- (3) Fair rental value of any portion of the described premises which is occupied by you.

e. "Suspension" means:

- (1) The slowdown or cessation of your business activities; or
- (2) That a part of all of the described premises is rendered untenable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

B. ARSON REWARD

We will pay up to \$5,000 for information which leads to an arson conviction in connection with a fire loss covered under this policy. Regardless of the number of persons involved in providing information, our liability under this Additional Coverage shall not be increased.

No Deductible applies to this Additional Coverage.

C. COST TO PREPARE INVENTORY

1. We will pay up to \$2,500 for expenses you incur in compiling inventories at our request to assist us in determining the amount of a loss covered by this policy.
2. We will not pay for:
 - a. Expenses to prove that loss or damage is covered; and
 - b. Expenses incurred under the Appraisal Loss Condition.
 - c. Expenses or fees you incur from public insurance adjusters or for expenses related to claims not covered by this policy.

D. RECHARGING

We will pay up to \$2,000 for expenses you incur for the recharging of fire extinguishers or fire extinguishing systems when used to fight fire on your premises or adjacent premises.

No Deductible applies to this Additional Coverage.

E. UTILITY SERVICES COVERAGE

We will pay up to \$10,000 at each described premises for loss caused by any combination of the following:

1. OFF PREMISES SERVICES — DIRECT DAMAGE

The interruption of service resulting from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

- a. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.

- b. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - (1) Communication transmission lines, including optic fiber transmission lines;
 - (2) Coaxial cables;
 - (3) Microwave radio relays except satellites.
- c. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.

2. PREMISES POWER OUTAGE

Direct damage to Covered Property resulting from complete or partial interruption of electrical power occurring on the described premises due to conditions beyond your control.

- a. Only the following EXCLUSIONS contained in paragraph **B.1.** of the Causes of Loss Form attached to this Coverage Part apply to PREMISES POWER OUTAGE:
 - (1) EARTH MOVEMENT;
 - (2) GOVERNMENTAL ACTION;
 - (3) NUCLEAR HAZARD;
 - (4) WAR AND MILITARY ACTION;
 - (5) WATER.

F. TRANSIT

If the Causes of Loss — Special Form is applicable to this policy, the Additional Coverage Extension — **Property in Transit** is deleted and replaced by the following.

- 1. We will pay up to \$10,000 for loss or damage to covered property while in transit. The loss or damage must be caused by or result from one of the following causes of loss:
 - a. A Covered Cause of Loss;
 - b. Collision, upset or overturn;

Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
 - c. Flood;
 - d. Earthquake.
- 2. Coverage is provided while the property is in the custody of:
 - a. Any railroad, public trucker, private trucker or land transportation company;

- b. You or anyone else while the Covered Property is in or on vehicles you own, lease or hire;
 - c. Any air transportation carrier;
 - d. Any water transportation carrier;
 - e. Any messenger in charge or control of the Covered Property.
- 3. Coverage does not apply to:
 - a. Property in the care, custody or control of your salespersons or you while acting as a salesperson;
 - b. Shipments by mail;
 - c. Property covered under import or export Ocean Cargo Policies;
 - d. Intercoastal water shipments via the Panama Canal; or
 - e. Coastwise water shipments to Alaska.

The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

- III. Paragraph **A.4.e. Increased Cost of Construction** and paragraph **A.5. Coverage Extensions** in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM are deleted and replaced by the following:

COVERAGE EXTENSIONS

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

Except as otherwise provided, the following Coverage Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

Each of these Coverage Extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these Coverage Extensions.

A. BUSINESS PERSONAL PROPERTY OFF PREMISES

- 1. We will pay up to \$10,000 for loss or damage to Your Business Personal Property, other than money and securities, valuable papers and records or accounts receivable, while it is away from the described premises, if it is:
 - a. Temporarily at a location you do not own, lease or operate; or
 - b. In storage at a location you lease, provided the lease was executed after the beginning of the current policy term.
- 2. This Coverage Extension does not apply to Covered Property:
 - a. In transit;
 - b. In the care, custody or control of your salesperson; or

c. At any fair or exhibition.

B. NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

1. Buildings

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

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

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

2. Your Business Personal Property

- a. If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (1) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (2) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
 - (3) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

- b. This extension does not apply to:
 - (1) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (2) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

3. Period of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- a. This policy expires;

- b. 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

- c. You report the values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

C. PERSONAL PROPERTY OF OTHERS

You may voluntarily pay up to \$10,000 for loss or damage to Covered Property under this Coverage Extension.

Covered Property in this Coverage Extension means:

1. Personal property of others in your care, custody or control subject to a \$1,000 limit per person; or
2. Non-owned vehicles, but only with respect to loss arising out of contact with golf balls, subject to a \$500 limit per vehicle and a \$1,000 annual aggregate.

No Deductible applies to this Coverage Extension.

If an (X) appears on the Golfmaster Property Supplemental Declarations next to Personal Property of Others, the \$10,000 limit is replaced by the limit shown on the Golfmaster Property Supplemental Declarations for Personal Property of Others.

If an (X) appears on the Golfmaster Property Supplemental Declarations next to Personal Property of Others — per person sub limit, the \$1,000 limit in paragraph 1. is replaced by \$2,000.

D. FINE ARTS

We will pay up to \$5,000 for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a Covered Cause of Loss.

E. FAIRS OR EXHIBITIONS

We will pay up to \$10,000 for loss or damage to Your Business Personal Property while temporarily on display to the public at fairs or exhibitions on premises not owned, operated or leased by the Named Insured. This Coverage Extension does not apply to your salespersons samples or fine arts.

F. SALESPERSONS SAMPLES

We will pay up to \$10,000 for loss or damage to:

1. Samples of your stock in trade; and
2. Similar property of others;

while such property is in the care, custody, or control of your salespersons, sales agents, or yourself while acting as a salesperson and not on the premises you own, lease or operate.

Coverage does not apply to property on display at any fair or exhibition or to fine arts.

G. BUILDING PROPERTY OFF PREMISES

You may extend the insurance that applies to Buildings to cover loss or damage to Covered Property while the Covered Property is removed from the described premises.

The most we will pay under this Coverage Extension is \$5,000 in any one occurrence.

H. MONEY AND SECURITIES

We will pay up to:

1. \$10,000 for loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction from any described premises.
2. \$10,000 for loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction from:
 - a. Any banking premises; or
 - b. Outside your premises while being conveyed by a "messenger"; or
 - c. Within the living quarters of any "messenger".
3. "Messenger" means you, any of your partners or any employee while having care and custody of the money and securities outside the described premises.
4. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, registered checks and money orders held for sale to the public.
5. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;but does not include "money".
6. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for loss:
 - a. Resulting from accounting or arithmetical errors or omissions;

- b. Resulting from the giving or surrendering of property in any exchange or purchase;
- c. Of property contained in any money operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.

7. You must keep records of all "money" and "securities" so we can verify the amount of any loss.

I. TREES, SHRUBS AND PLANTS

You may extend the insurance provided by this policy to cover loss or damage to your trees, shrubs, plants and flower beds, including debris removal expense, caused by or resulting from any of the following causes of loss:

1. Fire;
2. Lightning;
3. Explosion;
4. Aircraft or Vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property. This cause of loss includes loss or damage by falling objects from aircraft. We will not pay for loss or damage caused by or resulting from vehicles you own or operate;
5. Riot or Civil Commotion;
6. Vandalism, meaning willful and malicious damage to, or destruction of Covered Property;
7. Theft.

The most we will pay for loss or damage under this Coverage Extension is \$10,000, but not more than \$500 for any one tree, shrub or plant.

If an (X) appears on the Golfmaster Property Supplemental declarations next to Trees, Shrubs and Plants, the \$10,000 limit is replaced by the limit shown on the Golfmaster Property Supplemental Declarations for Trees, Shrubs and Plants.

J. MINICOMPUTER

1. We will pay up to \$10,000 for loss or damage to Covered Property from any of the Covered Causes of Loss.

Covered Property means electronic data processing equipment, its component parts, data and media which are:

 - a. Owned by you; or
 - b. Leased, rented or under your control and for which you are legally liable.
2. Covered Property does not include:

- a. Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or similar documents. However, we will pay for loss to these items when in data form. This coverage is subject to paragraph **2.c.** below.
 - b. Property rented or leased to others while away from your premises;
 - c. Any data or media which cannot be replaced with other of like kind and quality;
 - d. Contraband, or property in the course of illegal transportation or trade;
 - e. Your stock in trade.
3. Covered causes of loss means RISKS OF DIRECT PHYSICAL LOSS to Covered Property except those causes of loss listed in Minicomputer, item **6.** Exclusions.
4. Additional Coverage — Collapse:
- a. We will pay for direct physical loss or damage to covered property caused by collapse of a building or any part of a building, if the collapse is caused by one or more of the following:
 - (1) The “specified causes of loss” or breakage of building glass, all only as insured against in this policy;
 - (2) Hidden decay;
 - (3) Hidden insect or vermin damage;
 - (4) Weight of people or personal property;
 - (5) Weight of rain that collects on a roof;
 - (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a cause of loss listed in **4.a.(1)** through **4.a.(6)**, we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.
 - b. If the direct physical loss or damage does not involve collapse of a building or any part of a building, we will pay for loss or damage to covered property caused by a collapse of personal property only if:
 - (1) The personal property which collapses is inside a building insured under this policy; and
 - (2) The collapse was caused by a cause of loss listed in **4.a.(1)** through **4.a.(6)** above.
 - c. Collapse does not include settling, cracking, shrinking, bulging or expansion.
5. The following Coverage Extensions apply as respects to this Coverage:
- a. We will pay the actual and necessary Extra Expense you sustain due to direct physical loss to Covered Property as a result of a Covered Cause of Loss. Extra Expenses means necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no direct physical loss to Covered Property.
 - b. We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period.
 - c. We will pay for loss to Covered Property resulting from a Covered Cause of Loss while the property is in transit or at a temporary location not owned, leased or occupied by you.
 - d. When this Minicomputer coverage is used, no other coverage in the policy applies to the Covered Property insured by this Coverage.
6. Exclusions.
- a. Section **B. EXCLUSIONS** of the Causes of Loss form does not apply to this Additional Coverage, except for:
 - (1) Paragraph **B.1.c.**, Governmental Action;
 - (2) Paragraph **B.1.d.**, Nuclear Hazard;
 - (3) Paragraph **B.1.f.**, War and Military Action.
 - b. We will not pay for loss or damage caused by or resulting from any of the following:
 - (1) Faulty workmanship or material or error or omission in design of the Covered Property. However:
 - (a) If loss or damage by fire or explosion results, we will pay for that resulting loss or damage;
 - (b) We will pay for resulting damage or expense for data or media;
 - (c) We will pay for the resulting loss or damage to data processing equipment.

- (2) Any quality in the property that causes it to damage or destroy itself, wear and tear, insects, gradual deterioration or depreciation;
- (3) Dishonest acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives, or anyone to whom you entrust the property for any purpose:

- (a) Acting alone or in collusion with others;
- (b) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

- (4) Dryness or dampness of atmosphere, extremes of temperature, corrosion, or rust unless directly resulting from loss to the data processing system's air conditioning facilities caused by a Covered Cause of Loss;
- (5) Actual work upon the Covered Property. However:
 - (a) If loss or damage by fire or explosion results, we will pay for that resulting loss or damage to the data or media;
 - (b) We will pay for the resulting loss or damage to data processing equipment.
- (6) Error in machine programming or instructions to the machine;
- (7) The enforcement of any state or municipal law or ordinance unless such liability is specifically assumed elsewhere in this Coverage Extension;
- (8) Delay, loss of profit, loss of use or loss of market;
- (9) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense;
- (10) Unauthorized instructions to transfer property to any person or to any place.

7. The value of the Covered Property will be determined as follows:

- a. Equipment will be valued per the **Loss Payment** condition, item 4.a. of section **E. Loss Conditions**;

- b. Data at the actual cost of reproducing the data. If data is not replaced or reproduced, then the cost of blank media;
- c. Media at the actual cost to repair or replace the property with material of like kind and quality.

K. GOLF COURSE OUTDOOR PROPERTY

You may extend the insurance that applies to Business Personal Property to cover loss or damage to Covered Property as a result of a Covered Cause of Loss.

1. Covered Property in this Coverage Extension means owned or leased:
 - a. Flags, ball washers, benches, tee markers, course markers and water coolers;
 - b. Fences, walls, bridges, poles and bells;
 - c. Canopies, detached outdoor signs and light fixtures;
 - d. Radio and television antennas, including their lead-in wiring, masts or towers and satellite dishes;
 - e. Landscape sprinklers systems, including but not limited to, any above ground or below ground equipment and attachments;
 - f. Ornamental landscaping, statues, fountains and monuments;
 - g. Portable comfort stations; or
 - h. Tennis courts and pools.

2. The Cause of Loss applicable to paragraph **III.K.1.e** above includes loss resulting from freezing of above ground or below ground landscape sprinkler systems and attachments.

The most we will pay under this Coverage Extension for any one occurrence is \$25,000.

This Coverage Extension is subject to a \$500 per claim Deductible.

If an (X) appears on the Golfmaster Property Supplemental Declarations next to Golf Course Outdoor Property, the \$25,000 limit is replaced by the limit shown on the Golfmaster Property Supplemental Declarations for Golf Course Outdoor Property.

L. MOTORIZED GOLF CARTS

You may extend the insurance that applies to Business Personal Property to cover loss or damage to Covered Property as a result of a Covered Cause of Loss.

Covered property means motorized golf carts and any attached equipment:

1. Owned by you; or

2. Leased, rented or under your control and for which you are legally liable.

The most we will pay under this Coverage Extension for any one occurrence is \$25,000.

This Coverage Extension is subject to a \$500 per claim Deductible.

If an (X) appears on the Golfmaster Property Supplemental Declarations next to Motorized Golf Carts, the \$25,000 limit is replaced by the limit shown on the Golfmaster Property Supplemental Declarations for Motorized Golf Carts.

M. GOLF COURSE GROUNDS — TEES TO GREENS

You may extend the insurance that applies to Business Personal Property to cover loss or damage to Covered Property as a result of a Covered Cause of Loss.

1. Covered Property in this Coverage Extension means:
 - a. "Teeing ground";
 - b. "Fairways";
 - c. "Rough";
 - d. "Sand traps";
 - e. "Practice driving area"; and
 - f. "Putting green".
2. Covered Cause of Loss in this Coverage Extension means:
 - a. Fire;
 - b. Lightning;
 - c. Explosion;
 - d. Aircraft or Vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property. This Cause of Loss includes loss or damage by falling objects from aircraft. We will not pay for loss or damage caused by or resulting from vehicles you own or operate;
 - e. Riot or Civil Commotion;
 - f. Vandalism, meaning willful and malicious damage to, or destruction of Covered Property; or
 - g. Windstorm or hail.
3. Coverage definitions:
 - a. "Fairway" means an area of short grass and land thereunder, which is a functional part of a golf course between the "teeing ground" and the "putting green".
 - b. "Practice driving area" means an area of grass and land thereunder, which is a functional part of a golf course for the purpose of practicing the game of golf.

- c. "Putting Green" means an area of short grass and land thereunder, which is a functional part of a golf course for the purpose of putting a golf ball into a cup which is strategically placed on the "putting green". The practice "putting green" is included in this definition.
- d. "Rough" means an area of long grass on both sides of the "fairway" and land thereunder, which is a functional part of a golf course between the "teeing ground" and the "putting green".
- e. "Sand trap" means an area of sand between the "teeing ground" and the "putting green" which includes any area around the "putting green" and land thereunder, which is a functional part of a golf course.
- f. "Teeing Ground" means an area of short grass and land thereunder, which is a functional part of a golf course for the purpose of being the starting place for the hole to be played.
- g. "Hole" means an area which combines one assigned "Teeing Ground", "Fairway", "Rough" on both sides of the fairway, or "Putting Green" and could include a varying number of "Sand Traps" for a specific hole to be a functional part of a golf course.

The most we will pay under this Coverage Extension for loss or damage in any one policy year is \$50,000, but not more than \$10,000 for any one "Hole" or any one "Practice driving area". This Coverage Extension is subject to a \$500 per claim Deductible.

If an (X) appears on the Golfmaster Property Supplemental Declarations next to Golf Course Grounds — Tees to Greens, the \$50,000 policy limit is replaced by the limit shown on the Golfmaster Property Supplemental Declarations for Golf Course Grounds — Tees to Greens.

H. ACCOUNTS RECEIVABLE

1. We will pay up to \$25,000 to apply to:
 - a. All amounts due from your customers that you are unable to collect, including sums you are unable to collect as a direct result of loss or damage to credit card slips;
 - b. Interest charges on any loan required to offset amounts you are unable to collect;
 - c. Collection expenses in excess of your normal collection expenses that are made necessary by "loss"; and
 - d. Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from a Covered Cause of Loss to your records of accounts receivable.

2. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for:

- a. 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;
- (2) Faulty installation or maintenance of data processing equipment or component parts:

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

- b. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- c. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- d. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

3. Determination of Receivables.

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:

- (1) Determine the total average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and
- (2) Adjust that total for any normal fluctuations in the amounts of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.

- b. The following will be deducted from the total amount of accounts receivable, however that amount is established:

- (1) The amount of the accounts for which there is no loss;
- (2) The amount of the accounts that you are able to re-establish or collect;

- (3) An amount to allow for probable bad debts that you are normally unable to collect; and

- (4) All unearned interest and service charges.

O. VALUABLE PAPERS AND RECORDS

1. The coverage limit provided by the **Valuable Papers and Records — Cost of Research** Coverage Extension (paragraph **A.5.c.**) is increased to \$25,000.

2. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for loss or damage:

- a. 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;
- (2) Faulty installation or maintenance of data processing equipment or component parts;

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

- b. Caused by or resulting from any of the following:

- (1) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion.
- (2) Wear and tear, gradual deterioration or latent defect.

P. ORDINANCE OR LAW COVERAGE

1. Application of Coverage

The Coverage(s) provided by this endorsement apply only if both **1.a.** and **1.b.** are satisfied and are then subject to the qualifications set forth in **1.c.**

- a. The ordinance or law:

- (1) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

- (2) Is in force at the time of loss.

But coverage under this Additional Coverage 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 Additional Coverage.

- b. (1) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (2) The building sustains 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.
- (3) 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 Additional Coverage even if the building has also sustained covered direct physical damage.

c. In the situation described in 1.b.(2) above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this Additional Coverage. 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.

(Paragraph 7. of this Additional Coverage provides an example of this procedure.)

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 Coverages **A**, **B** and/or **C** of this Additional Coverage.

2. We will not pay under this Additional Coverage for 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".

3. Coverage

a. Coverage A—Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for 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.

Coverage **A** is included within the Limit of Insurance shown in the Declarations as applicable to the covered building and does not increase the Limit of Insurance.

b. Coverage B — Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay 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 undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

c. Coverage C — Increased Cost Of Construction Coverage

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

- (a) Repair or reconstruct damaged portions of the building; and/or
- (b) Reconstruct or remodel undamaged portions of the 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:

- (a) This coverage applies only if the Replacement Cost Optional Coverage applies to the building suffering loss.
- (b) 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.
- (c) We will pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to increased Cost of Construction.

(2) When a building is damaged or destroyed and Coverage C applies to that building in accordance with c.(1) 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.(1);

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

The items listed in (2)(a) Through (2)(d) above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, c.(2).

4. Loss Payment

- a. The following loss payment provisions, 4.b. and 4.c., are subject to the apportionment procedures set forth in section 1.c. of this Additional Coverage.
- b. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - (1) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same premises or another premises, we will not pay more than the lesser of:
 - (a) The amount you would actually spend to repair, rebuild or reconstruct the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparative quality of the original property insured; or
 - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.
 - (2) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (a) The actual cash value of the building at the time of loss; or

(b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

c. The most we will pay, for the total of all covered losses for Demolition Cost Coverage and Increased Cost of Construction Coverage in any one occurrence is \$25,000. Subject to the applicable Limit of Insurance, the following provisions apply:

(1) For Demolition Cost we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

(2) With respect to the Increased Cost of Construction:

(a) We will not pay for the increased cost of construction:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

5. The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.

6. Under this endorsement we will not pay for loss due to any ordinance or law that:

a. You were required to comply with before the loss, even if the building was undamaged; and

b. You failed to comply with.

7. Example of Proportionate Loss Payment for Building Ordinance coverage losses (procedure as set forth in section 1.c. of this Additional Coverage).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000

- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Building Ordinance coverage **C** of this Additional Coverage: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage,

$$\$30,000 / \$100,000 = .30$$

Step 2:

Apply that proportion to the Building Ordinance loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this Additional Coverage for the Coverage **C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverages **A** and **B** of this Additional Coverage.

Q. NON-OWNED DETACHED TRAILERS

1. You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - a. The trailer is used in your business;
 - b. The trailer is in your care, custody or control at the premises described in the Declarations; and
 - c. You have a contractual responsibility to pay for loss or damage to the trailer.
2. We will not pay for any loss or damage that occurs:

- a. While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - b. During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
2. The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
 3. This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

IV. Paragraph A.1.a. Covered Property in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended to include:

- A.** Signs attached to the described premises;
- B.** Lightpoles.

This amendment supersedes all limitations in this policy that apply to attached signs and lightpoles.

V. Paragraphs A.1.a. Covered Property and A.1.b. Business Personal Property and A.1.c. Personal Property of Others in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM, are amended to increase the distance from within 100 feet of the described premises to within 1,000 feet of the described premises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRANSIT – REFRIGERATION BREAKDOWN ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMPREHENSIVE INSURANCE POLICY WHOLESALE DISTRIBUTOR'S PROGRAM PROPERTY
COVERAGE EXTENSION ENDORSEMENT

SCHEDULE

<u>Item number</u>	<u>Vehicle Description (yr., type and serial number)</u>	<u>Limit of Insurance</u>
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The following is added to **II.B.** Transit Coverage in the Comprehensive Insurance Policy Wholesale Distributor's Program Property Coverage Extension Endorsement.

A. COVERAGE

The following is added:

We will pay for "loss" or damage to Covered Property resulting directly from mechanical failure or breakdown of single unit automatic temperature control compressors on vehicles that are specifically listed in the schedule above.

B. EXCLUSIONS

The following is added to the Exclusion section for the purpose of this endorsement:

We will not pay for "loss" or damage resulting from failure or breakdown caused by:

1. Failure to provide adequate fuel supply;
2. Failure to maintain crankcase oil level within manufacturer's specified limits;
3. Failure to maintain an adequate level of refrigerant within manufacturer's specified limits;

4. "Loss" or damage due to gradual leakage of refrigerant, even if the gradual leakage causes a reduction in cooling efficiency;
5. Willful destruction or damage to any automatic temperature control unit by an employee or others;
6. Failure to keep and maintain automatic control or temperature units in efficient operating condition;
7. Any other circumstances where "loss" or damage is not directly caused by breakdown or mechanical failure.

C. LIMITS OF INSURANCE

The most we will pay for "loss" to any one vehicle, in any one occurrence, is the Limit of Insurance for that vehicle shown in the Schedule.

D. ADDITIONAL CONDITIONS

The following is added to the Additional Conditions section for the purpose of this endorsement:

You must regularly inspect all automatic temperature control units. You must also maintain records as to the result of each inspection. Each unit must be inspected at least once per month.

We may examine these records at any time during the policy period and up to three years afterward.

E. DEDUCTIBLE

Any "loss" covered by this endorsement will be adjusted using a \$250 Refrigeration Breakdown Deductible .

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RESTAURANT PROGRAM — HOUSE SPECIALS

The following modifies insurance provided under:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS — SPECIAL FORM

I. BUILDING AND BUSINESS PERSONAL PROPERTY COVERAGE EXTENSIONS

A. ELECTRONIC DATA PROCESSING EQUIPMENT AND MEDIA

1. You may extend the insurance that applies to your Building or your Business Personal Property to apply to:
 - a. "Electronic Data Processing Equipment", and related component parts that are:
 - (1) Owned by you; or
 - (2) Leased, rented or under your control and for which you are liable;
 - b. Your "data" and "media" or "data" and "media" for which you are liable.
2. The following Exclusions, from the Causes of Loss — Special Form, do not apply to this Extension:
 - a. Exclusion **1.b.** (Earth Movement);
 - b. Exclusion **1.e.** (Utility Services);
 - c. Exclusion **1.g.** (Water);
 - d. Exclusion **2.a.** (Artificially generated electric current);
 - e. Exclusion **2.d.(6)** (Mechanical breakdown);
 - f. Exclusion **2.d.(7)** (Changes in or extremes of temperature or humidity and marring or scratching).
3. As used in this Extension:
 - a. "Electronic Data Processing Equipment" means automated menus, cash registers, food and beverage billing systems, personal computers, desktop or main-frame computers. "Electronic Data Processing Equipment" does not mean computerized equipment used to control or operate "covered equipment".

- b. "Data" means the information stored on "media", including computer programs.
 - c. "Media" means the material on which "data" is stored. "Media" also includes instructional materials provided with computer programs.
 - d. "Covered Equipment" 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.
4. The value of the Covered Property will be determined as follows:
 - a. Equipment will be valued per the Valuation Condition, item **7.** of the LOSS CONDITIONS;
 - b. Data at the actual cost of reproducing the data. If data is not replaced or reproduced, then the cost of blank media;
 - c. Media at the actual cost to repair or replace the property with material of like kind and quality.
 5. The most we will pay for loss or damage under this extension is \$50,000.

B. BUSINESS PERSONAL PROPERTY OFF PREMISES

The Coverage Extension — **Property Off-Premises** (paragraph **A.5.d.**) is deleted and replaced with the following:

1. We will pay up to \$25,000 for loss or damage to Your Business Personal Property while it is away from the described premises, if it is:
 - a. Temporarily at a location you do not own, lease or operate;
 - b. In storage at a location you lease, provided the lease was executed after the beginning of the current policy term.

2. This Extension does not apply to Covered Property:

- a. In transit;
- b. In the care, custody or control of your salespersons; or
- c. At any fair or exhibition.

C. FAIRS OR EXHIBITIONS

We will pay up to \$10,000 for loss or damage to Your Business Personal Property while temporarily on display to the public at fairs or exhibitions on premises not owned, operated or leased by the Named Insured. This extension does not apply to your salespersons samples or fine arts.

D. NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

The Coverage Extension — **Newly Acquired or Constructed Property** (paragraph A.5.a.) is deleted and replaced with the following:

1. Buildings

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

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

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

2. Your Business Personal Property

- a. If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (1) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (2) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
 - (3) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

b. This extension does not apply to:

- (1) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (2) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

3. Period of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- a. This policy expires;
- b. 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- c. You report the values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

E. RESTAURANT EMPLOYEE PERSONAL EFFECTS

The Coverage Extension — **Personal Effects and Property of Others** is deleted and replaced by the following:

You may extend the insurance that applies to Your Personal Property to apply to personal effects owned by you, your officers, your partners or members, your managers, your maitre d', chef, sous chef and his or her staff and your employees.

The most we will pay for loss or damage under this Extension is \$10,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

F. VALUABLE PAPERS AND RECORDS — COST OF RESEARCH

- 1. The coverage limit provided by the **Valuable Papers and Records — Cost of Research** Coverage Extension (paragraph A.5.c.) is increased to \$25,000.
- 2. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for loss or damage:
 - a. 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;
- (2) Faulty installation or maintenance of data processing equipment or component parts:

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

- b. Caused by or resulting from any of the following:
 - (1) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion.
 - (2) Wear and tear, gradual deterioration or latent defect.

G. OUTDOOR PROPERTY

The Coverage Extension — **Outdoor Property** (paragraph **A.5.e.**) is deleted and replaced by the following:

You may extend the insurance provided by this coverage form to apply to radio and television antennas (including satellite dishes), lawns, trees, plants, and shrubs (other than "stock" of trees, shrubs, or plants), including debris removal expense, while located outside of buildings for the following causes of loss:

- 1. Fire;
- 2. Lightning;
- 3. Explosion;
- 4. Riot or Civil Commotion;
- 5. Aircraft.

The most we will pay for loss or damage under this extension is \$10,000, but not more than \$1,000 for any one tree, plant, or shrub. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

H. DETACHED OUTDOOR SIGNS

We will pay up to \$5,000 for loss or damage to any detached outdoor sign permanently fixed in place as a result of a Covered Cause of Loss.

I. MONEY AND SECURITIES

- 1. We will pay up to \$5,000 for loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction from:
 - a. Any location described in the Declarations;
 - b. Any banking premises;

- c. Outside your premises while being conveyed by a "messenger"; or
- d. Within the living quarters of any "messenger".

2. As used in this Extension:

- a. "Messenger" means you, any of your partners or any employee while having care and custody of the money and securities outside the described premises.

b. "Money" means:

- (1) Currency, coins and bank notes in current use and having a face value; and
- (2) Travelers checks, registered checks and money orders held for sale to the public.

- c. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

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

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

but does not include "money".

- 3. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for loss:

- a. Resulting from accounting or arithmetical errors or omissions;
- b. Resulting from the giving or surrendering of property in any exchange or purchase;
- c. Of property contained in any money operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.

- 4. You must keep records of all money and securities so we can verify the amount of any loss.

J. ACCOUNTS RECEIVABLE

- 1. We will pay up to \$25,000 to apply to:

- a. All amounts due from your customers that you are unable to collect, including sums you are unable to collect as a direct result of loss or damage to credit card slips;

- b. Interest charges on any loan required to offset amounts you are unable to collect;
- c. Collection expenses in excess of your normal collection expenses that are made necessary by the "loss"; and
- d. Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from a Covered Cause of Loss to your records of accounts receivable.

- 2. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for:

- a. 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;
- (2) Faulty installation or maintenance of data processing equipment or component parts:

But we will pay for direct loss caused by lightning.

- b. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- c. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- d. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

- 3. Determination of Receivables

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:

- (1) Determine the total average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and
- (2) Adjust that total for any normal fluctuations in the amounts of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.

- b. The following will be deducted from the total amount of accounts receivable, however that amount is established:

- (1) The amount of the accounts for which there is no loss;
- (2) The amount of the accounts that you are able to re-establish or collect;
- (3) An amount to allow for probable bad debts that you are normally unable to collect; and
- (4) All unearned interest and service charges.

K. FINE ARTS

We will pay up to \$10,000 for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a Covered Cause of Loss.

L. ORDINANCE OR LAW COVERAGE

Paragraph 4.e. Increased Cost of Construction in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by the following:

1. Application Of Coverage

The Coverage(s) provided by this endorsement apply only if both **1.a.** and **1.b.** are satisfied and are then subject to the qualifications set forth in **1.c.**

- a. The ordinance or law:

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

But coverage under this Additional Coverage 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 Additional Coverage.

- b.(1) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (2) The building sustains 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.

(3) 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 Additional Coverage even if the building has also sustained covered direct physical damage.

c. In the situation described in 1.b.(2) above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this Additional Coverage. 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.

(Paragraph 7. of this Additional Coverage provides an example of this procedure.)

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 Coverages **A**, **B** and/or **C** of this Additional Coverage.

2. We will not pay under this Additional Coverage for 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".

3. Coverage

a. Coverage A — Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for 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.

Coverage **A** is included within the Limit of Insurance shown in the Declarations as applicable to the covered building and does not increase the Limit of Insurance.

b. Coverage B — Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay 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 undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

c. Coverage C — Increased Cost Of Construction Coverage

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

- (a) Repair or reconstruct damaged portions of the building; and/or
- (b) Reconstruct or remodel undamaged portions of the 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:

- (a) This coverage applies only if the Replacement Cost Optional Coverage applies to the building suffering loss.
- (b) 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.
- (c) We will pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to increased Cost of Construction.

(2) When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with c.(1) 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.(1);

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

The items listed in **(2)(a)** Through **(2)(d)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **c.(2)**.

4. Loss Payment

- a. The following loss payment provisions, **4.b.** and **4.c.**, are subject to the apportionment procedures set forth in section **1.c.** of this Additional Coverage.
- b. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - (1) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same premises or another premises, we will not pay more than the lesser of:
 - (a) The amount you would actually spend to repair, rebuild or reconstruct the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparative quality of the original property insured; or
 - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.
 - (2) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (a) The actual cash value of the building at the time of loss; or
 - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

- c. The most we will pay, for the total of all covered losses for Demolition Cost Coverage and Increased Cost of Construction Coverage in any one occurrence is \$50,000. Subject to the applicable Limit of Insurance, the following provisions apply:

- (1) For Demolition Cost we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (2) With respect to the Increased Cost of Construction:

- (a) We will not pay for the increased cost of construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

- 5. The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.
- 6. Under this endorsement we will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged; and
 - b. You failed to comply with.
- 7. Example of Proportionate Loss Payment for Building Ordinance coverage losses (procedure as set forth in section **1.c.** of this Additional Coverage).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Building Ordinance coverage **C** of this Additional Coverage: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage,

$$\$30,000 / \$100,000 = .30$$

Step 2:

Apply that proportion to the Building Ordinance loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this Additional Coverage for the Coverage **C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverages **A** and **B** of this Additional Coverage.

M. CUSTOMERS PERSONAL PROPERTY

You may extend the insurance that applies to your Business Personal Property to apply to the personal property of your customers located within a building or structure at the described premises.

The most we will pay for loss or damage under this Extension is \$10,000. We will not pay more than \$2,500 in any one occurrence for loss or damage to the personal property of any one customer.

A \$100 deductible will apply to each claim.

Section **II**, Exclusion **B.2.i.**, as respects voluntary parting does not apply to this coverage.

The terms of these extensions of coverage apply separately to each building.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

II. BUILDING AND BUSINESS PERSONAL PROPERTY ADDITIONAL COVERAGES

A. FIRE DEPARTMENT SERVICE CHARGE

The coverage limit provided by the **Fire Department Service Charge** Additional Coverage (paragraph **A. 4. c.**) is increased to \$10,000.

B. TRANSIT

1. The Additional Coverage Extension — **Property in Transit** is deleted from the Causes of Loss — Special Form.

2. We will pay up to \$25,000 for loss or damage to covered property while in transit. The loss or damage must be caused by or result from one of the following causes of loss:

- a. A Covered Cause of Loss;
- b. Collision, upset or overturn;

Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.

- c. Flood;
- d. Earthquake.

3. Coverage is provided while the property is in the custody of:

- a. Any railroad, public trucker, private trucker or land transportation company;
- b. You or anyone else while the Covered Property is in or on vehicles you own, lease or hire;
- c. Any air transportation carrier;
- d. Any water transportation carrier;
- e. Any messenger in charge or control of the Covered Property.

4. Coverage does not apply to:

- a. Property in the care, custody or control of your salespersons or you while acting as a salesperson;
- b. Shipments by mail;
- c. Property covered under import or export Ocean Cargo Policies;
- d. Intercoastal water shipments via the Panama Canal; or
- e. Coastwise water shipments to Alaska.

The Additional Condition, Coinsurance, does not apply to this additional coverage.

C. BUSINESS INCOME

1. COVERAGE

- a. We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 1,000 feet of the site at which the described premises are located.

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

- (1) The portion of the building which you rent, lease or occupy; and
- (2) 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.

We will only pay for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage.

Business Income means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (2) Continuing normal operating expenses incurred, including payroll; and
- (3) "Rental Value".

b. Additional Coverages

(1) Extra Expense

We will pay the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 1,000 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means that portion of the building which you rent, lease or occupy; or

- (a) That portion of the building which you rent, lease or occupy; or
- (b) 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.

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.

- (a) We will pay any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":
 - (i) At the described premises; or
 - (ii) At replacement premises or at temporary locations, including:
 - i. Relocation Expenses; and
 - ii. Costs to equip and operate the replacement or temporary locations;
- (b) We will pay any Extra Expense to minimize the "suspension" of business if you cannot continue operations; or

- (c)** We will pay any Extra Expense to:
- (i)** Repair or replace any property; or
 - (ii)** Research, replace, or restore the lost information on damaged valuable papers and records;
- to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

(2) Extended Business Income

- (a)** Business Income other than "Rental Value".

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this endorsement, we will pay for the actual loss of Business Income you incur during the period that:

- (i)** Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (ii)** Ends on the earlier of:
 - i.** The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
 - ii.** 60 consecutive days after the date determined in **(a)(i)** above.

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

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

(b) "Rental Value"

If the necessary suspension of your "operations" produces a "Rental Value" loss payable under this endorsement, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (i)** Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (ii)** Ends on the earlier of:
 - i.** The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - ii.** 60 consecutive days after the date determined in **(b)(i)** above.

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

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

(3) Alterations and New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (a)** New buildings or structures, whether complete or under construction;
- (b)** Alterations or additions to existing buildings or structures; and
- (c)** Machinery, equipment, supplies or building materials located on or within 1,000 feet of the described premises and:

- (i) Used in construction, alterations or additions; or
- (ii) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Coverage Extensions

(1) Newly Acquired Locations

- (a) You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- (b) The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- (c) Insurance under this Extension for each newly acquired location will end when any of the following first occurs;
 - (i) This policy expires;
 - (ii) 30 days after you acquire or begin to construct the property; or
 - (iii) You report values to us.

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

(2) Food Contamination Business Interruption

- (a) We will pay up to \$50,000 for your actual loss of Business Income you sustain due to the necessary "suspension" of your "operations". The "suspension" must be caused directly by "Food Contamination" as a result of a declaration by the Board of Health or other government body at the described premises.
The amount of Business Income loss, under this extension, will be determined based on:
 - (i) The Net Income of the business before the declaration occurred;

- (ii) The likely Net Income of the business if no loss occurred;
- (iii) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the declaration occurred; and
- (iv) Extra advertising cost to restore the reputation of your business.

(b) As used in this extension;

- (i) "Food contamination" means the actual or alleged occurrence of food poisoning or suspected food poisoning of one or more of your customers. The food contamination must have resulted from tainted food purchased by you or "Communicable Disease" transmitted by one or more of your employees.
- (ii) "Communicable Disease" is defined as a bacterial micro organism transmitted through human contact to food.

(c) We will pay up to \$10,000 for:

- (i) Your cost to clean your equipment according to local Board of Health requirements;
- (ii) Your costs to replace consumable goods declared contaminated by the local Board of Health;
- (iii) Necessary medical tests and vaccines for affected employees as required by the Board of Health or other government body. This coverage is primary to any other insurance coverage; and
- (iv) Reimbursement of infected patrons for medical care, hospitalization and necessary blood testing.

(d) For this extension, section B.1. EXCLUSIONS of the Causes of Loss form is amended to include:

- (i) Fines or penalties of any kind.

(e) For this extension, paragraph 3. Duties In The Event Of Loss Or Damage of section E. **LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by:

(1) You must see that the following are done in the event of loss:

- i. Give us prompt notice of the declarations and the described premises that may be involved in the loss.
- ii. Notify any public authority that may have jurisdiction over the incident.
- iii. As soon as possible, give us a description of how, when and where the "Food Contamination" was first discovered.
- iv. Resume all of your "operations" as quickly as possible, we will pay based on the time it would have taken to resume "operations" as quickly as possible.
- v. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request.
- vi. Cooperate with us in the investigation or settlement of the claim.

(f) For this extension, section F. **ADDITIONAL CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended to include:

(i) When a loss happens, you will do, or have done, all things reasonably practical to avoid or diminish the loss.

(ii) If we make payment for loss under this policy, all your rights of recovery against any person or organization are transferred to us. You shall execute and deliver instruments and papers and do whatever is necessary to secure your rights for us. You shall do nothing after the loss to impair these rights.

These Extensions are additional insurance. The Additional Condition, Coinsurance, does not apply to these Extensions.

2. LOSS CONDITIONS

a. Paragraph 2. Appraisal of section E. **LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by:

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- (1) Pay its chosen appraiser; or
- (2) Bear the other expenses of the appraiser and umpires equally.

If there is an appraisal, we will still retain our rights to deny the claim.

b. Paragraph 3. **Duties in the Event Of Loss** of section E. **LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by:

(1) You must see that the following are done in the event of loss:

- (a) Notify the police if a law may have been broken.
- (b) Give prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (c) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (d) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (e) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis and permit us to make copies from your books and records.
- (f) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (g) Cooperate with us in the investigation or settlement of the claim.
- (h) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

- (2) We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

This **LOSS CONDITION** does not apply to Food Contamination Business Interruption coverage.

- c. Section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended to include:

(1) Limitation — Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- (a) 60 consecutive days from the date of direct physical loss or damage; or
- (b) The period beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (i) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (ii) Data stored on such media; or
- (iii) Programming records used for electronic data processing or electrically controlled equipment.

This limitation does not apply to Extra Expense.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will pay for the Business Income loss sustained during the period from June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

(2) Loss Determination

(a) The amount of business Income will be determined based on:

- (i)** The Net Income of the business before the direct physical loss or damage occurred;
- (ii)** The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses.
- (iii)** The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (iv)** Other relevant sources of information including:
 - i.** Your financial records and accounting procedures;
 - ii.** Bills, invoices and other vouchers; and
 - iii.** Deeds, liens or contracts.

(b) The amount of Extra Expense will be determined based on:

- (i)** All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - i.** The salvage value that remains of any property bought for temporary use during the "period of restoration," once "operations" are resumed; and
 - ii.** Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (ii)** All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

(c) Resumption of Operations

We will reduce the amount of your:

- (i)** Business Income loss, other than Extra Expense, to the extent you can resume your "operations," in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (ii)** Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- (d)** If you do not resume "operations" or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

(3) Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all the terms of this Additional Coverage and:

- (a) We have reached agreement with you on the amount of loss; or
- (b) An appraisal award has been made.

3. DEFINITIONS

a. **“Finished Stock”** means stock you have manufactured.

“Finished Stock” also includes whisky and alcoholic products being aged.

“Finished Stock” does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Additional Coverage.

b. **“Operations”** means your business activities occurring at the described premises.

c. **“Period of Restoration”** means the period of time that:

- (1) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- (2) Ends on the earlier of:
 - (a) The date the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (b) 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:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) 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”.

d. **“Rental Value”** means the:

- (1) Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, and
- (2) Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations, and
- (3) Fair rental value of any portion of the described premises which is occupied by you.

e. **“Suspension”** means:

- (1) The slowdown or cessation of your business activities; or
- (2) That a part of all of the described premises is rendered untenable, if coverage for Business Income including “Rental Value” or “Rental Value” applies.

D. CIVIL AUTHORITY

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 24 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

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

- 1. 3 consecutive weeks after the time of that action; or
- 2. When your Business Income coverage ends; whichever is later.

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

E. DEPENDENT PROPERTIES BUSINESS INCOME

1. We will pay up to \$50,000 for the actual loss of Business Income you sustain due to the necessary suspension of operations during the period of restoration. The suspension must be caused by direct physical loss of or damage to property at the premises of a dependent property caused by or resulting from a Covered Cause of Loss.
2. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume operations, in whole or in part, by using any other available:
 - a. Source of materials; or
 - b. Outlets for your products.
3. If you do not resume operations, or do not resume operations as quickly as possible, we will pay based on the length of time it would have taken to resume operations as quickly as possible.
4. Dependent property means property operated by others whom you depend on to:
 - a. Deliver materials or services, other than water, communication or power supply services, to you, or to others for your account; or
 - b. Accept your products or services;
 - c. Attract customers to your business.
5. Period of Restoration, with respect to dependent property, means the period of time that:
 - a. Begins with the date 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 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".

6. Operations with respect to dependent property, means your business activities occurring at the described premises.
7. Suspension with respect to dependent property, means the slowdown or cessation of your business activities.

F. RECHARGING

We will pay up to \$5,000 for expenses you incur for the recharging of fire extinguishers, fire extinguishing systems and the cost of resetting automatic fuel shut-off connections if they are discharged to fight a fire on your premises or an adjacent premises or are discharged due to a mechanical failure.

G. ARSON REWARD

We will pay up to \$5,000 for information which leads to an arson conviction in connection with a fire loss covered under this policy. Regardless of the number of persons involved in providing information, our liability under this Additional Coverage shall not be increased.

H. COSTS TO PREPARE INVENTORY

1. We will pay up to \$5,000 for expenses you incur in compiling inventories at our request to assist us in determining the amount of a loss covered by this policy.
2. We will not pay for:
 - (a) Expenses to prove that loss or damage is covered;
 - (b) Expenses incurred under the Appraisal Loss Condition; or
 - (c) Expenses or fees you incur from public insurance adjusters or for expenses related to claims not covered by this policy.

I. FORGERY AND ALTERATION

- (1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) As used in this Additional Coverage "money" means:

- a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, registered checks and money orders held for sale to the public.
- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000.

J. LOCK REPLACEMENT

You may extend the insurance provided by this coverage form to cover necessary expense to repair, re-key or replace exterior or interior door locks of a covered building:

- 1. If your door keys are stolen in a covered theft loss; or
- 2. When your property is damaged and your door keys are stolen by the burglars.

No deductible applies to this Additional Coverage.

The most we will pay under this Additional Coverage is \$1,000 for any one occurrence.

K. CATERING PENALTY EXPENSE REIMBURSEMENT

We will reimburse you up to \$1,000 for penalties you incur due to your failure to deliver products as required under catering contracts with your customers. The penalties must result from direct physical loss or damage by a Covered Cause of Loss to Covered Property.

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

L. EQUIPMENT BREAKDOWN

1. COVERAGES

- a. We will pay for loss caused by or resulting from an "accident" to "covered equipment".

b. Definitions

- (1) "Accident" means direct physical loss from:
 - (a) mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - (b) artificially generated electric 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.

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".

(2) "Covered Equipment"

- (a) "Covered equipment" 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.

- (b) "Covered equipment" does not mean:

- (i) structure, foundation, cabinet, compartment or air supported structure or building;

- (ii) insulating or refractory material;

- (iii) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;

- (iv) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;

- (v) vehicle, dragline, excavation or construction equipment;

- (vi) "Electronic Data Processing Equipment" unless used to control or operate "covered equipment"; or

- (vii) equipment manufactured by you for sale.

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

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

c. 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.

(1) Expediting Expenses

With respect to your damaged Covered Property, we will pay, up to \$25,000, the reasonable extra cost to:

- (a) make temporary repairs; and
- (b) expedite permanent repairs or replacement.

(2) 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 expenses 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 Perishable Goods coverage, is \$25,000.

(3) Perishable Goods

- (a) We will pay for your loss of "perishable goods" due to spoilage.
- (b) We will also pay for your loss of "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia.
- (c) 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.

(d) 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 \$100,000.

(4) 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 (chlorinated fluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (a) Repair the damaged property and replace any lost CFC refrigerant;
- (b) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (c) 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 Perishable Goods coverage, is \$25,000.

(5) Service Interruption

The insurance provided for Business Income, Extra Expense and Perishable Goods 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.

2. 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 written notice from us. 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 Additional Coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

3. DEDUCTIBLE

We will not pay for loss, damage or expenses resulting from any one "accident" until the total amount of loss, damage or expense exceeds \$250. We will then pay the amount of loss, damage or expense in excess of the Deductible up to the Limit of Insurance, after any deduction required by the Coinsurance condition or the Agreed Value Optional Coverage.

4. EXCLUSIONS

a. We will not pay under this Additional Coverage for loss or damage caused by or resulting from:

- (1) your failure to use all reasonable means to protect the "perishable goods" from damage following an "accident";
- (2) any defect, virus, loss of data or other situation within "media". But if loss or damage from an "accident" to "covered equipment" results, we will pay for that resulting loss or damage; or
- (3) 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.

b. With respect to Service Interruption coverage and Perishable Goods 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.

c. All exclusions and limitations apply except:

In the Causes of Loss — Special Form:

(1) Exclusions **B.2.a.**, **B.2.d.(6)** and **B.2.e.**; and

(2) Limitations **C.1.a.** and **C.1.b.**

d. The exclusions are modified as follows:

(1) The following is added to Exclusion **B.1.g.(1)** of the applicable Causes of Loss form:

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.

(2) As respects to this Additional Coverage 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 **2.d.(7)** results in a "specified cause of loss", building glass breakage or an "accident" to "covered equipment", we will pay for the loss or damage caused by that "accident".

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

M. WATER BACK UP OF SEWERS OR DRAINS

1. We will pay up to \$5,000 for direct physical loss or damage to Covered Property at the premises described in the Declarations caused by or resulting from water that backs up from a sewer or drain. However, coverage does not apply to losses resulting from the overflow of water from a sump due to mechanical breakdown or failure of a sump pump.

2. Section **B. Exclusions**, paragraph **1.g.(3)** of the Causes of Loss — Special Form is deleted.

N. UTILITY SERVICES COVERAGE

We will pay up to \$10,000 for loss or damage to Covered Property at any described premises resulting from the interruption of service to that premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises.

1. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.
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;
 - b. Coaxial cables;
 - c. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.
3. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.

III. OTHER BUILDING AND BUSINESS PERSONAL PROPERTY COVERAGE CHANGES

A. BUILDING DEFINITION

1. The following items are added as Covered Property — Buildings:
 - a. Attached signs;
 - b. Outdoor fences;
 - c. Lightpoles.
2. The second paragraph of paragraph C. **Limits of Insurance** is deleted.

B. PREMISES BOUNDARY

Paragraphs **A.1.a., Building, A.1.b., Your Business Personal Property** and **A.1.c., Personal Property of Others**, are amended to increase the distance limitation from within 100 feet of the described premises to within 1,000 feet of the described premises.

C. INVENTORY FLUCTUATION COVERAGE

The following is added to section C. — **Limits of Insurance**:

1. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
2. This increase will only apply if the limit of insurance shown for Business Personal Property in the declarations is at least 80% of the average monthly values for the 12 months immediately preceding the date of loss, or if you have been in business for less than 12 months, such shorter period of time.
3. This increase will not apply to property covered on a blanket basis or under a value reporting form.

POLICY NUMBER	POLICY PERIOD		COVERAGE IS PROVIDED IN THE	AGENCY
NAMED INSURED AND ADDRESS			AGENT	

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

WHOLESALE DISTRIBUTOR'S PROGRAM SUPPLEMENTAL DECLARATIONS

THE FOLLOWING OPTIONAL COVERAGE APPLIES ONLY WHEN INDICATED BY AN (X) BELOW.

	LIMIT OF INSURANCE
() TRANSIT EXTENSION — INCREASED LIMIT OF INSURANCE	\$ 25,000

TOTAL OPTIONAL INCREASED LIMIT PREMIUM \$

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPREHENSIVE INSURANCE POLICY WHOLESALE DISTRIBUTOR'S PROGRAM PROPERTY COVERAGE EXTENSION ENDORSEMENT

The following modifies insurance provided under:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS — BROAD FORM
CAUSES OF LOSS — SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) ACTUAL LOSS SUSTAINED COVERAGE FORM

I. BLANKET COVERAGE EXTENSIONS

With respect to the following Coverage Extensions, found under this Section I. BLANKET COVERAGE EXTENSIONS, A. through I., we will pay up to \$250,000, for loss or damage caused by a covered cause of loss.

You may apply this limit to one or any combination of these Coverage Extensions, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Coverage Extensions Limit for any one location.

If you purchase coverage separately for any of the blanketed coverages, the limit available in this Blanket Coverage Extension will be in addition to the specific limit purchased.

This Blanket Coverage Extensions Limit of insurance applies separately at each covered location shown in the Declarations and is subject to the Property Deductible shown in the Declarations.

A. ELECTRONIC DATA PROCESSING EQUIPMENT AND MEDIA

1. We will pay for loss or damage to:

- a. "Electronic Data Processing Equipment", and related component parts that are:
 - (1) Owned by you; or
 - (2) Leased, rented or under your control and for which you are liable;
- b. Your "data" and "media" or "data" and "media" for which you are liable.

2. If the Causes of Loss – Special Form applies, the following Exclusions do not apply to this Extension:

- a. Exclusion 1.b. (Earth Movement);
- b. Exclusion 1.e. (Utility Services);
- c. Exclusion 1.g. (Water);
- d. Exclusion 2.a. (Artificially generated electric current);
- e. Exclusion 2.d.(6) (Mechanical breakdown);
- f. Exclusion 2.d.(7) (Changes in or extremes of temperature or humidity and marring or scratching).

3. As used in this Extension:

- a. "Electronic Data Processing Equipment" means desktop or mainframe computers. "Electronic Data Processing Equipment" does not mean computerized equipment or related component parts used to operate or direct machinery;
 - b. "Data" means the information stored on "media", including computer programs.
 - c. "Media" means the material on which "data" is stored. "Media" also includes instructional materials provided with computer programs.
4. The value of the Covered Property will be determined as follows:

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with its permission.

- a. Equipment will be valued per the Valuation Condition, item 7. of the LOSS CONDITIONS in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM;
- b. Data at the actual cost of reproducing the data. If data is not replaced or reproduced, then the cost of blank media;
- c. Media at the actual cost to repair or replace the property with material of like kind and quality.

B. ACCOUNTS RECEIVABLE

- 1. We will pay:
 - a. All amounts due from your customers you are unable to collect, including sums you are unable to collect as a direct result of loss or damage to credit card slips;
 - b. Interest charges on any loan required to offset amounts you are unable to collect;
 - c. Collection expenses in excess of your normal collection expenses that are made necessary by the "loss"; and
 - d. Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from Covered Causes of Loss to your records of accounts receivable.

- 2. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for:
 - a. Loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings. But we will pay for direct loss caused by lightning.
 - b. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal wrongful giving, taking or withholding of money, securities or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.
 - c. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

3. Determination of Receivables

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:
 - (1) Determine the total average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and
 - (2) Adjust that total for any normal fluctuations in the amounts of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
- b. The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (1) The amount of the accounts for which there is no loss;
 - (2) The amount of the accounts that you are able to re-establish or collect;
 - (3) All unearned interest and service charges.

C. PERSONAL EFFECTS AND PROPERTY OF OTHERS

The coverage limit provided by the Coverage Extension **Personal Effects and Property of Others** (paragraph A.5.b. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM) is deleted .

D. VALUABLE PAPERS AND RECORDS — COST OF RESEARCH

The coverage limit provided by the Coverage Extension **Valuable Papers and Records — Cost of Research** (paragraph A.5.c. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM) is deleted.

E. DETACHED OUTDOOR SIGNS

We will pay for loss or damage to any detached outdoor sign permanently fixed in place as a result of a Covered Cause of loss.

F. FINE ARTS

We will pay for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a covered cause of loss.

G. FIRE DEPARTMENT SERVICE CHARGE

The coverage limit provided by the Additional Coverage **Fire Department Service Charge** (paragraph **A.4.c. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted.

H. RECHARGING

We will pay for expenses you incur for the recharging of fire extinguishers or fire extinguishing systems when used to fight fire on your premises or adjacent premises.

I. NEW LOCATIONS COVERAGE

1. You may extend the coverage that applies under these **BLANKET COVERAGE EXTENSIONS** to apply to any premises you acquire.
2. Insurance under this extension for each newly acquired premises will end when any of the following first occurs:
 - a. This policy expires;
 - b. 90 days after you acquire or begin construction at the new premises; or
 - c. You report values to us.

This extension does not apply to locations covered by the Builders' Risk Coverage Endorsement.

Each of the preceding Coverage Extensions is subject to the **PROPERTY COVERAGE EXTENSION ENDORSEMENT, BLANKET COVERAGE EXTENSION LIMIT** shown above.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

II. BUILDING AND PERSONAL PROPERTY COVERAGE EXTENSIONS

A. MOBILE INVENTORY MANAGEMENT EQUIPMENT

1. You may extend the insurance that applies to Your Business Personal Property to apply to:
 - a. "Mobile Inventory Management Equipment":
 - (1) Owned by you; or

- (2) Leased, rented or under your control and for which you are liable.

- b. Your "Data" and "Media" or "data" and "Media" used with "Mobile Inventory Management Equipment" for which you are liable.

This extension applies to covered property only while at any location not specifically described in the declarations.

2. If the Causes of Loss — Special Form applies, the following Exclusions do not apply to this Extension:

- a. Exclusion **1.b.** (Earth Movement);
 - b. Exclusion **1.e.** (Utility Services);
 - c. Exclusion **1.g.** (Water);
 - d. Exclusion **2.a.** (Artificially generated electric current);
 - e. Exclusion **2.d.(6)** (Mechanical breakdown);
 - f. Exclusion **2.d.(7)** (Changes in or extremes of temperature or humidity and marring or scratching).

3. As used in this Extension:

- a. "Mobile Inventory Management Equipment" means mobile computers, computerized equipment and related component parts that are used away from your premises to manage and control inventory;
 - b. "Data" means the information stored on "media", including computer programs; and
 - c. "Media" means the material on which "data" is stored. "Media" also includes instructional materials provided with computer programs.

4. The value of the Covered Property will be determined as follows:

- a. Equipment will be valued per E. **LOSS CONDITIONS**, item 7. Valuation Condition, of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**;
 - b. Data at the actual cost of reproducing the data. If data is not replaced or reproduced, then the cost of blank media; or
 - c. Media at the actual cost to repair or replace the property with material of like kind and quality.

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

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B. BUSINESS PERSONAL PROPERTY OFF PREMISES

The Coverage Extension — **Property Off Premises** (paragraph **A.5.d.** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced with the following:

1. We will pay up to \$25,000 for loss or damage to Your Business Personal Property while it is away from the described premises, if it is:
 - a. Temporarily at a location you do not own, lease or operate;
 - b. In storage at a location you lease, provided the lease was executed after the beginning of the current policy term.
2. This Extension does not apply to Covered Property:
 - a. In transit;
 - b. In the care, custody or control of your salespersons;
 - c. "Mobile Inventory Management Equipment", Data and Media used with "Mobile Inventory Management Equipment" while not at the premises described in the Declarations; or
 - d. At any fair or exhibition.

C. FAIRS OR EXHIBITIONS

We will pay up to \$10,000 for loss or damage to Your Business Personal Property while temporarily on display to the public at fairs or exhibitions on premises not owned, operated or leased by the Named Insured. This extension does not apply to your Salespersons Samples or Fine Arts.

D. SALESPERSONS SAMPLES

We will pay up to \$10,000 for loss or damage to:

1. Samples of your stock in trade; and
2. Similar property of others;

while such property is in the care, custody, or control of your salespersons, sales agents, or yourself while acting as a salesperson and not on premises you own, lease or operate.

Coverage does not apply to property on display at any fair or exhibition or to Fine Arts.

E. NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

The Coverage Extension — **Newly Acquired or Constructed Property** (paragraph **A.5.a.** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced with the following:

1. Buildings

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

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

The most we will pay for loss or damage under this Coverage Extension is \$1,000,000 at each building.

2. Your Business Personal Property

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

- (1) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (2) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (3) Business personal property that you newly acquire, located at the described premises.

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

b. This extension does not apply to:

- (1) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (2) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

3. Period of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- a. This policy expires;
- b. 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- c. You report the values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

F. OUTDOOR PROPERTY

The Coverage Extension — **Outdoor Property** (Paragraph **A.5.e.** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced by the following:

You may extend the insurance provided by this coverage form to apply to radio and television antennas (including satellite dishes), lawns, trees, plants, and shrubs (other than "stock" of trees, shrubs, or plants), including debris removal expense, while located outside of buildings for the following causes of loss:

1. Fire;
2. Lightning;
3. Explosion;
4. Riot or Civil Commotion; or
5. Aircraft.

The most we will pay for loss or damage under this extension is \$25,000, but not more than \$500 for any one tree, plant, or shrub. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

G. MONEY AND SECURITIES

1. We will pay up to \$10,000 for loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction:
 - a. From any location described in the Declarations;
 - b. From any banking premises;
 - c. Outside your premises while being conveyed by a "messenger"; or

- d. Within the living quarters of any "messenger".

2. As used in this Extension:

- a. "Messenger" means you, any of your partners or any employee while having care and custody of the money and securities outside the described premises.

b. "Money" means:

- (1) Currency, coins and bank notes in current use and having a face value; and

- (2) Travelers checks, registered checks and money orders held for sale to the public.

- c. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

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

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

but does not include "money".

3. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for loss:

- a. Resulting from accounting or arithmetical errors or omissions;
- b. Resulting from the giving or surrendering of property in any exchange or purchase;
- c. Of property contained in any money operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.

4. You must keep records of all money and securities so we can verify the amount of any loss.

The terms of these extensions of coverage apply separately to each building.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

III. BUILDING AND PERSONAL PROPERTY ADDITIONAL COVERAGES

A. ORDINANCE OR LAW COVERAGE

Paragraph 4.e. **Increased Cost of Construction of the Additional Coverages** in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by:

1. Application Of Coverage

The Coverage(s) provided by this endorsement apply only if both 1.a. and 1.b. are satisfied and are then subject to the qualifications set forth in 1.c.

a. The ordinance or law:

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

But coverage under this Additional Coverage 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 Additional Coverage.

- b. (1) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (2) The building sustains 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.
- (3) 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 Additional Coverage even if the building has also sustained covered direct physical damage.

- c. In the situation described in 1.b.(2) above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B and/or C of this Additional Coverage. 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.

(Paragraph 7. of this Additional Coverage provides an example of this procedure.)

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 Coverages A, B and/or C of this Additional Coverage.

2. We will not pay under this Additional Coverage for 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".
3. Coverage

a. Coverage A — Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for 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.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered building and does not increase the Limit of Insurance.

b. Coverage B — Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay 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 undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

c. Coverage C — Increased Cost Of Construction Coverage

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

- (a) Repair or reconstruct damaged portions of the building; and/or
- (b) Reconstruct or remodel undamaged portions of the 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:

- (a) This coverage applies only if the Replacement Cost Optional Coverage applies to the building suffering loss.
- (b) 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.
- (c) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to increased Cost of Construction.

(2) When a building is damaged or destroyed and Coverage C applies to that building in accordance with c.(1) 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.(1);

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

The items listed in (2)(a) through (2)(d) above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, c.(2).

4. Loss Payment

a. The following payment provisions, 4.b. and 4.c., are subject to the apportionment procedures set forth in section 1.c. of this Additional Coverage.

b. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

(1) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same premises or another premises, we will not pay more than the lesser of:

(a) The amount you would actually spend to repair, rebuild or reconstruct the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparative quality of the original property insured; or

(b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

- (2) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
- (a) The actual cash value of the building at the time of loss; or
 - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- c. The most we will pay, for the total of all covered losses for Demolition Cost Coverage and Increased Cost of Construction Coverage in any one occurrence is \$250,000. Subject to the applicable Limit of Insurance, the following provisions apply:
- (1) For Demolition Cost we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - (2) With respect to the Increased Cost of Construction:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
5. The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.
 6. Under this endorsement we will not pay for loss due to any ordinance or law that
 - a. You were required to comply with before the loss, even if the building was undamaged; and
 - b. You failed to comply with.
 7. Example of Proportionate Loss Payment for Building Ordinance coverage losses (procedure as set forth in section 1.c. of this Additional Coverage).

Assume:

 - Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
 - The building has a value of \$200,000
 - Total direct physical damage to building: \$100,000
 - The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
 - Portion of direct physical damage that is covered (caused by wind): \$30,000
 - Portion of direct physical damage that is not covered (caused by flood): \$70,000
 - Loss under Building Ordinance Coverage C of this Additional Coverage: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage,

$$\$30,000 / \$100,000 = .30$$

Step 2:

Apply that proportion to the Building Ordinance loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this Additional Coverage for the Coverage **C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverages **A** and **B** of this Additional Coverage.

B. TRANSIT

If the Causes of Loss — Special Form is applicable to this policy, the Additional Coverage Extension — **Property in Transit** is deleted and replaced by the following:

1. We will pay up to \$25,000 for loss or damage to covered property while in transit. The loss or damage must be caused by or result from one of the following causes of loss:
 - a. A Covered Cause of Loss;
 - b. Collision, upset or overturn;
Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - c. Flood;
 - d. Earthquake.
2. Coverage is provided while the property is in the custody of:
 - a. Any railroad, public trucker, private trucker or land transportation company;
 - b. You or anyone else while the Covered Property is in or on vehicles you own, lease or hire;
 - c. Any air transportation carrier;
 - d. Any water transportation carrier;
 - e. Any messenger in charge or control of the Covered Property.
3. Coverage does not apply to:
 - a. Property in the care, custody or control of your salespersons or you while acting as a salesperson;
 - b. Shipments by mail;
 - c. Property covered under import or export Ocean Cargo Policies;
 - d. Intercoastal water shipments via the Panama Canal; or
 - e. Coastwise water shipments to Alaska.

The Additional Condition, Coinsurance, does not apply to this extension.

C. EXTRA EXPENSE

We will pay up to \$100,000 for the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 1,000 feet of the site at which the described premises are located.

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

1. The portion of the building which you rent, lease or occupy; or
2. 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.

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.

1. We will pay any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":
 - a. At the described premises; or
 - b. At replacement premises or at temporary locations, including:
 - (1) Relocation Expenses; and
 - (2) Costs to equip and operate the replacement or temporary locations;
2. We will pay any Extra Expense to minimize the "suspension" of business if you cannot continue "operations"; or
3. We will pay any Extra Expense to:
 - a. Repair or replace any property; or
 - b. Research, replace, or restore the lost information on damaged valuable papers and records;
to the extent it reduces the amount of loss that otherwise would have been payable under this coverage form.
4. "Period of Restoration" means the period of time that:

- a. Begins with the date 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:
 - (1) The date the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

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

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) 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”.

- 5. “Operations” means your business activities occurring at the described premises.
- 6. “Suspension” means the slowdown or cessation of your business activities.

D. UTILITY SERVICES COVERAGE

We will pay up to \$25,000 for loss or damage to Covered Property at any described premises resulting from the interruption of service to that premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

- 1. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.
- 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;
 - b. Coaxial cables;
 - c. Microwave radio relays except satellites.

- 3. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.

E. ARSON REWARD

We will pay up to \$25,000 for information which leads to an arson conviction in connection with a fire loss covered under this policy. Regardless of the number of persons involved in providing information, our liability under this Additional Coverage shall not be increased.

F. COSTS TO PREPARE INVENTORY

- 1. We will pay up to \$10,000 for expenses you incur in compiling inventories at our request to assist us in determining the amount of a loss covered by this policy.
- 2. We will not pay for:
 - a. Expenses to prove that loss or damage is covered; and
 - b. Expenses incurred under the Appraisal Loss Condition.
 - c. Expenses or fees you incur from public insurance adjusters or for expenses related to claims not covered by this policy.

G. CONSEQUENTIAL LOSS TO “STOCK”

We will pay any reduction in the value of the remaining undamaged parts of covered “Stock” if a Covered Cause of Loss results in loss or damage to covered “Stock”.

Payment for any reduction in value is included within the applicable Limit of Insurance.

H. WATER BACKUP OF SEWERS OR DRAINS

Section B. Exclusions, Paragraph 1.g.(3) of the Causes of Loss – Special Form is deleted.

We will pay up to \$25,000 for loss or damage to Covered Property at any described premises resulting from water that backs up or overflows from a sewer, drain or sump.

I. PENALTY EXPENSE REIMBURSEMENT

We will reimburse you up to \$25,000 for penalties you incur due to your failure to deliver products as required under contracts with your customers. The penalties must result from direct physical loss or damage from a Covered Cause of Loss to Covered Property.

We will pay no more than \$50,000 under this additional coverage in any one policy year.

J. GOVERNMENT ORDERED RECALL EXPENSE

1. We will reimburse you for the expenses you incur for withdrawal, recovery or return of products distributed by you when ordered to do so by a governmental agency. Covered expenses do not include the costs of replacement products or the cash value of damaged products.
2. This additional coverage will not apply:
 - a. If the governmental recall was ordered as a result of a condition likely to cause a loss that was known or should have been known by you to exist prior to the effective date of this coverage;
 - b. To any government ordered recall expense incurred for the recall of any product that was distributed after the determination was made that a recall was necessary;
 - c. To any government ordered recall expense resulting from tampering by or with the prior knowledge of you or any of your owners, partners, directors or officers; or
 - d. To government ordered recall expenses you incurred outside the policy term.

The most we will pay under this Additional Coverage for loss or damage in any one policy year is \$50,000, but not more than \$25,000 in any one loss.

A \$1,000 per loss deductible applies to this Additional Coverage.

The amount we will pay for government ordered recall expense will be reduced by a 20% Participation Percentage.

K. DEBRIS REMOVAL

The coverage limit provided by Additional Coverage **A.4.a. Debris Removal** in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is increased to \$50,000.

L. POLLUTION CLEANUP AND REMOVAL

The coverage limit provided by Additional Coverage **A.4.d. Pollution Clean Up and Removal** in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is increased to \$25,000.

IV. OTHER BUILDING AND PERSONAL PROPERTY COVERAGE CHANGES

A. BUILDING DEFINITION

1. The following items are added to Section **A. 1. a. Covered Property, Buildings, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:
 - a. Attached signs;
 - b. Outdoor fences;
 - c. Lightpoles.
2. The second paragraph of paragraph **C. Limits of Insurance** is deleted.

B. PREMISES BOUNDARY

Paragraphs **A.1.a., Building, A.1.b., Your Business Personal Property, and A.1.c., Personal Property of Others of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM**, are amended to increase the distance limitation from within 100 feet of the described premises to within 1,000 feet of the described premises.

C. BUSINESS PERSONAL PROPERTY LIMIT — SEASONAL INCREASE

1. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
2. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declaration is at least 80% of your average monthly values during the lesser of:
 - a. The 12 months immediately preceding the date the loss or damage occurs; or
 - b. The period of time you have been in business as of the date the loss or damage occurs.

This extension does not apply to property written on a:

- a. Peak Season endorsement;
- b. Value Reporting form; or
- c. Blanket coverage approach.

V. BUSINESS INCOME COVERAGE EXTENSION

The following coverage extension applies only if Business Income Coverage is indicated as applicable in the Declarations:

A. DEPENDENT PROPERTIES BUSINESS INCOME

1. We will pay up to \$50,000 for the actual loss of Business Income you sustain due to the necessary suspension of operations during the period of restoration. The suspension must be caused by direct physical loss of or damage to property at the premises of a dependent property caused by or resulting from a Covered Cause of Loss.
2. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume operations, in whole or in part, by using any other available:
 - a. Source of materials; or
 - b. Outlets for your products.
3. If you do not resume operations, or do not resume operations as quickly as possible, we will pay based on the length of time it would have taken to resume operations as quickly as possible.
4. Dependent property means property operated by others whom you depend on to:
 - a. Deliver materials or services, other than water, communication or power supply services, to you, or to others for your account; or
 - b. Accept your products or services;

5. Period of Restoration, with respect to dependent property, means the period of time that:
 - a. Begins with the date 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 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".
6. Operations with respect to dependent property, means your business activities occurring at the described premises.
7. Suspension with respect to dependent property, means the slowdown or cessation of your business activities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPREHENSIVE INSURANCE POLICY FOOD PROCESSORS PROGRAM PROPERTY COVERAGE EXTENSION ENDORSEMENT

The following modifies insurance provided under:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS — BROAD FORM
CAUSES OF LOSS — SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) ACTUAL LOSS SUSTAINED COVERAGE FORM

I. BLANKET COVERAGE EXTENSIONS

With respect to the following Coverage Extensions, found under this Section I. BLANKET COVERAGE EXTENSIONS, A. through I., we will pay up to \$250,000, for loss or damage caused by a Covered Cause of Loss.

You may apply this limit to one or any combination of these Coverage Extensions, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Coverage Extension Limit for any one location.

If you purchase coverage separately for any of the blanketed coverages, the limit available in this Blanket Coverage Extension will be in addition to the specific limit purchased.

This Blanket Coverage Extensions Limit of insurance applies separately at each covered location shown in the Declarations and is subject to the Property Deductible shown in the Declarations.

A. ELECTRONIC DATA PROCESSING EQUIPMENT AND MEDIA

1. We will pay for loss or damage to:

- a. "Electronic Data Processing Equipment", and related component parts that are:
 - (1) Owned by you; or
 - (2) Leased, rented or under your control and for which you are liable;
- b. Your "data" and "media" or "data" and "media" for which you are liable.

2. If the Causes of Loss – Special Form applies, the following Exclusions do not apply to this Extension:

- a. Exclusion 1.b. (Earth Movement);
- b. Exclusion 1.e. (Utility Services);
- c. Exclusion 1.g. (Water);
- d. Exclusion 2.a. (Artificially generated electric current);
- e. Exclusion 2.d.(6) (Mechanical breakdown);
- f. Exclusion 2.d.(7) (Changes in or extremes of temperature or humidity and marring or scratching).

3. As used in this Extension:

- a. "Electronic Data Processing Equipment" means desktop or mainframe computers. "Electronic Data Processing Equipment" does not mean computerized equipment or related component parts used to operate or direct machinery;
 - b. "Data" means the information stored on "media", including computer programs.
 - c. "Media" means the material on which "data" is stored. "Media" also includes instructional materials provided with computer programs.
4. The value of the Covered Property will be determined as follows:

- a. Equipment will be valued per the Valuation Condition, item 7. of the LOSS CONDITIONS in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM;
- b. Data at the actual cost of reproducing the data. If data is not replaced or reproduced, then the cost of blank media;
- c. Media at the actual cost to repair or replace the property with material of like kind and quality.

B. ACCOUNTS RECEIVABLE

- 1. We will pay:
 - a. All amounts due from your customers you are unable to collect, including sums you are unable to collect as a direct result of loss or damage to credit card slips;
 - b. Interest charges on any loan required to offset amounts you are unable to collect;
 - c. Collection expenses in excess of your normal collection expenses that are made necessary by the "loss"; and
 - d. Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from Covered Causes of Loss to your records of accounts receivable.

- 2. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for:
 - a. Loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings. But we will pay for direct loss caused by lightning.
 - b. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal wrongful giving, taking or withholding of money, securities or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.
 - c. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

3. Determination of Receivables

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:
 - (1) Determine the total average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and
 - (2) Adjust that total for any normal fluctuations in the amounts of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
- b. The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (1) The amount of the accounts for which there is no loss;
 - (2) The amount of the accounts that you are able to re-establish or collect;
 - (3) All unearned interest and service charges.

C. PERSONAL EFFECTS AND PROPERTY OF OTHERS

The coverage limit provided by the Coverage Extension Personal Effects and Property of Others (paragraph A.5.b. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM) is deleted .

D. VALUABLE PAPERS AND RECORDS

The coverage limit provided by the Coverage Extension Valuable Papers and Records (paragraph A.5.c. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM) is deleted.

E. DETACHED OUTDOOR SIGNS

We will pay for loss or damage to any detached outdoor sign permanently fixed in place as a result of a Covered Cause of loss.

F. FINE ARTS

We will pay for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a covered cause of loss.

G. FIRE DEPARTMENT SERVICE CHARGE

The coverage limit provided by the Additional Coverage **Fire Department Service Charge** (paragraph A.4.c. of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted.

H. RECHARGING

We will pay for expenses you incur for the recharging of fire extinguishers or fire extinguishing systems when used to fight fire on your premises or adjacent premises.

I. NEW LOCATIONS COVERAGE

1. You may extend the coverage that applies under these BLANKET COVERAGE EXTENSIONS to apply to any premises you acquire.
2. Insurance under this extension for each newly acquired premises will end when any of the following first occurs:
 - a. This policy expires;
 - b. 90 days after you acquire or begin construction at the new premises; or
 - c. You report values to us.

This extension does not apply to locations covered by the Builders' Risk Coverage Endorsement.

Each of the preceding Coverage Extensions is subject to the PROPERTY COVERAGE EXTENSION ENDORSEMENT, BLANKET COVERAGE EXTENSION LIMIT shown above.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

II. BUILDING AND PERSONAL PROPERTY COVERAGE EXTENSIONS

A. BUSINESS PERSONAL PROPERTY OFF PREMISES

The Coverage Extension — **Property Off Premises** (paragraph A.5.d. of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced with the following:

1. We will pay up to \$25,000 for loss or damage to Your Business Personal Property while it is away from the described premises, if it is:

- a. Temporarily at a location you do not own, lease or operate; or
- b. In storage at a location you lease, provided the lease was executed after the beginning of the current policy term.

2. This Extension does not apply to Covered Property:

- a. In transit;
- b. In the care, custody or control of your salespersons; or
- c. At any fair or exhibition.

B. FAIRS OR EXHIBITIONS

We will pay up to \$10,000 for loss or damage to Your Business Personal Property while temporarily on display to the public at fairs or exhibitions on premises not owned, operated or leased by the Named Insured. This extension does not apply to your salespersons samples or Fine Arts.

C. SALESPERSONS SAMPLES

We will pay up to \$10,000 for loss or damage to:

1. Samples of your stock in trade; and
2. Similar property of others;

while such property is in the care, custody, or control of your salespersons, sales agents, or yourself while acting as a salesperson and not on premises you own, lease or operate.

Coverage does not apply to property on display at any fair or exhibition or to Fine Arts.

D. NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

The Coverage Extension — Newly Acquired or Constructed Property (paragraph A.5.a. of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced with the following:

1. Buildings

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

- a. Your new buildings while being built on the described premises; and
- b. Buildings you acquire at locations, other than the described premises, intended for:

- (1) Similar use as the building described in the Declarations; or

- (2) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$1,000,000 at each building.

2. Your Business Personal Property

- a. If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (1) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (2) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
 - (3) Business personal property that you newly acquire, located at the described premises.

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

- b. This extension does not apply to:
 - (1) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (2) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

3. Period of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- a. This policy expires;
- b. 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- c. You report the values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

E. OUTDOOR PROPERTY

The Coverage Extension — **Outdoor Property** (paragraph **A.5.e.** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced by the following:

You may extend the insurance provided by this coverage form to apply to radio and television antennas (including satellite dishes), lawns, trees, plants, and shrubs (other than "stock" of trees, shrubs, or plants), including debris removal expense, while located outside of buildings for the following causes of loss:

1. Fire;
2. Lightning;
3. Explosion;
4. Riot or Civil Commotion;
5. Aircraft.

The most we will pay for loss or damage under this extension is \$25,000, but not more than \$500 for any one tree, plant, or shrub. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

F. MONEY AND SECURITIES

1. We will pay up to \$10,000 for loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction:
 - a. Any location described in the Declarations;
 - b. Any banking premises;
 - c. Outside your premises while being conveyed by a "messenger"; or
 - d. Within the living quarters of any "messenger".
2. As used in this Extension:
 - a. "Messenger" means you, any of your partners or any employee while having care and custody of the money and securities outside the described premises.
 - b. "Money" means:
 - (1) Currency, coins and bank notes in current use and having a face value; and
 - (2) Travelers checks, registered checks and money orders held for sale to the public.

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

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

but does not include "money".

3. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for loss:
 - a. Resulting from accounting or arithmetical errors or omissions;
 - b. Resulting from the giving or surrendering of property in any exchange or purchase;
 - c. Of property contained in any money operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.
4. You must keep records of all money and securities so we can verify the amount of any loss.

G. PATTERNS, DIES, MOLDS AND FORMS

We will pay up to \$10,000 for loss or damage to Patterns, Dies, Molds and Forms that are:

1. Your property, or
 2. The property of others in your care, custody or control;
- caused by, or resulting from a Covered Cause of Loss.

The terms of these extensions of coverage apply separately to each building.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

III. BUILDING AND PERSONAL PROPERTY ADDITIONAL COVERAGES

A. ORDINANCE OR LAW COVERAGE

Paragraph 4.e. **Increased Cost of Construction of the Additional Coverages** in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by the following:

1. Application Of Coverage

The Coverage(s) provided by this endorsement apply only if both 1.a. and 1.b. are satisfied and are then subject to the qualifications set forth in 1.c.

a. The ordinance or law:

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

But coverage under this Additional Coverage 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 Additional Coverage.

b. (1) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

(2) The building sustains 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.

(3) 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 Additional Coverage even if the building has also sustained covered direct physical damage.

c. In the situation described in 1.b.(2) above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B and/or C of this Additional Coverage. 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.

(Paragraph 7. of this Additional Coverage provides an example of this procedure.)

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 Coverages **A**, **B** and/or **C** of this Additional Coverage.

2. We will not pay under this Additional Coverage for 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".

3. Coverage

a. Coverage A — Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for 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.

Coverage **A** is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building and does not increase the Limit of Insurance.

b. Coverage B — Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay 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 undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

c. Coverage C — Increased Cost of Construction

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

- (a) Repair or reconstruct damaged portions of the building; and/or

- (b) Reconstruct or remodel undamaged portions of the 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:

- (a) This coverage applies only if the Replacement Cost Optional Coverage applies to the building loss.

- (b) 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.

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

The Coinsurance Additional Condition does not apply to Increased Cost of Construction.

- (2) When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with **c.(1)** 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.(1)**:

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

- (b) Foundations of the building;

- (c) Pilings; and

- (d) Underground pipes, flues, and drains.

The items listed in **(2)(a)** through **(2)(d)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **c.(2)**.

4. Loss Payment

- a. The following payment provisions, **4.b.** and **4.c.**, are subject to the apportionment procedures set forth in section **1.c.** of this Additional Coverage.
 - b. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - (1) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same premises or another premises, we will not pay more than the lesser of:
 - (a) The amount you would actually spend to repair, rebuild or reconstruct the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparative quality of the original property insured; or
 - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.
 - (2) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (a) The actual cash value of the building at the time of loss; or
 - (b) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - c. The most we will pay, for the total of all covered losses for Demolition Cost Coverage and Increased Cost of Construction Coverage in any one occurrence is \$250,000. Subject to the applicable Limit of Insurance, the following provisions apply:
 - (1) For Demolition Cost we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - (2) With respect to the Increased Cost of Construction:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
5. The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.
 6. This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.
 7. Under this endorsement we will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged; and
 - b. You failed to comply with.

8. Example of Proportionate Loss Payment for Building Ordinance coverage losses (procedure as set forth in section 1.c. of this Additional Coverage).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Building Ordinance Coverage C of this Additional Coverage: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage,

$$\frac{\$30,000}{\$100,000} = .30$$

Step 2:

Apply that proportion to the Building Ordinance loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this Additional Coverage for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverages A and B of this Additional Coverage.

B. TRANSIT

If the Causes of Loss — Special Form is applicable to this policy, The Additional Coverage Extension — **Property in Transit** is deleted, and replaced by the following:

1. We will pay up to \$10,000 for loss or damage to covered property while in transit. The loss or damage must be caused by or result from one of the following causes of loss:

- a. A Covered Cause of Loss;
- b. Collision, upset or overturn;
Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
- c. Flood;
- d. Earthquake.

2. Coverage is provided while the property is in the custody of:

- a. Any railroad, public trucker, private trucker or land transportation company;
- b. You or anyone else while the Covered Property is in or on vehicles you own, lease or hire;
- c. Any air transportation carrier;
- d. Any water transportation carrier;
- e. Any messenger in charge or control of the Covered Property.

3. Coverage does not apply to:

- a. Property in the care, custody or control of your salespersons or you while acting as a salesperson;
- b. Shipments by mail;
- c. Property covered under import or export Ocean Cargo Policies;
- d. Intercoastal water shipments via the Panama Canal; or
- e. Coastwise water shipments to Alaska.

4. Refrigeration Breakdown Coverage

- a. We will also cover loss resulting from mechanical failure or breakdown of single unit automatic temperature control compressors.
- b. We will not pay for "loss" or damage resulting from failure or breakdown caused by:
 - (1) Failure to provide adequate fuel supply;
 - (2) Failure to maintain crankcase oil pressure within manufacturer's specified limits;
 - (3) Failure to maintain an adequate level of refrigerant within manufacturer's specified limits;

- (4) "Loss" or damage due to gradual leakage of refrigerant, even if the gradual leakage causes a reduction in cooling efficiency;
- (5) Willful destruction or damage to any automatic temperature control unit by an employee or others;
- (6) Failure to keep and maintain automatic control or temperature units in efficient operating condition;
- (7) Any other circumstances where loss or damage is not directly caused by breakdown or mechanical failure.

The Additional Condition, Coinsurance, does not apply to this extension.

C. EXTRA EXPENSE

We will pay up to \$100,000 for the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 1,000 feet of the site at which the described premises are located.

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

- 1. The portion of the building which you rent, lease or occupy; or
- 2. 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.

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.

- 1. We will pay any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":
 - a. At the described premises; or
 - b. At replacement premises or at temporary locations, including:
 - (1) Relocation Expenses; and
 - (2) Costs to equip and operate the replacement or temporary locations;

- 2. We will pay any Extra Expense to minimize the "suspension" of business if you cannot continue "operations"; or
- 3. We will pay any Extra Expense to:

- a. Repair or replace any property; or
- b. Research, replace, or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this coverage form.

- 4. "Period of Restoration" means the period of time that:

Begins with the date 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:
 - (1) The date the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

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

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) 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".

- 5. "Operations" means your business activities occurring at the described premises.
- 6. "Suspension" means the slowdown or cessation of your business activities.

D. UTILITY SERVICES COVERAGE

We will pay up to \$25,000 for loss or damage to Covered Property at any described premises resulting from the interruption of service to that premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

1. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.
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;
 - b. Coaxial cables;
 - c. Microwave radio relays except satellites.
3. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.

E. ARSON REWARD

We will pay up to \$25,000 for information which leads to an arson conviction in connection with a fire loss covered under this policy. Regardless of the number of persons involved in providing information our liability under this Additional Coverage shall not be increased.

F. COSTS TO PREPARE INVENTORY

1. We will pay up to \$10,000 for expenses you incur in compiling inventories at our request to assist us in determining the amount of a loss covered by this policy.
2. We will not pay for:
 - a. Expenses to prove that loss or damage is covered; and
 - b. Expenses incurred under the Appraisal Loss Condition.
 - c. Expenses or fees you incur from public insurance adjusters or for expenses related to claims not covered by this policy.

G. BRANDS AND LABELS

1. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of that property at an agreed or appraised value. If so, you may:
 - a. Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or

- b. Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise to comply with the law.
2. We will pay reasonable costs you incur to perform the activity described in 1.a. or 1.b. above. But the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

H. CONSEQUENTIAL LOSS TO "STOCK"

We will pay any reduction in the value of the remaining undamaged parts of covered "Stock" if a Covered Cause of Loss results in loss or damage to covered "Stock".

Payment for any reduction in value is included within the applicable Limit of Insurance.

I. WATER BACKUP OF SEWERS OR DRAINS

Section B. Exclusions, Paragraph 1.g.(3) of the Causes of Loss Form is deleted.

We will pay up to \$25,000 for loss or damage to Covered Property at any described premises resulting from water that backs up or overflows from a sewer, drain or sump.

J. PENALTY EXPENSE REIMBURSEMENT

We will reimburse you up to \$25,000 for penalties you incur due to your failure to deliver products as required under contracts with your customers. The penalties must result from direct physical loss or damage by a Covered Cause of Loss to Covered Property.

We will pay no more than \$50,000 under this additional coverage in any one policy year.

K. DEBRIS REMOVAL

The coverage limit provided by Additional Coverage **A.4.a. Debris Removal** in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is increased to \$50,000.

L. POLLUTION CLEANUP AND REMOVAL

The coverage limit provided by Additional Coverage **A.4.d. Pollution Clean Up and Removal** in the **BUILDING AND PERSONAL PROPERTY COERAGE FORM** is increased to \$25,000.

IV. OTHER BUILDING AND PERSONAL PROPERTY COVERAGE CHANGES

A. BUILDING DEFINITION

1. The following items are added to **Section A. 1. Covered Property, a. Buildings, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:**
 - a. Attached signs;
 - b. Outdoor fences;
 - c. Lightpoles.
2. The second paragraph of paragraph **C. Limits of Insurance** is deleted.

B. PREMISES BOUNDARY

Paragraphs A.1.a., Building, A.1.b., Your Business Personal Property, and A.1.c., Personal Property of Others of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM are amended to increase the distance limitation from within 100 feet of the described premises to within 1,000 feet of the described premises.

C. SELLING PRICE VALUATION

The following is added to the VALUATION Loss Condition of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

We will determine the value of finished "stock" you manufacture, in the event of loss or damage, at:

1. The selling price, if no loss or damage had occurred;
2. Less discounts and expenses you otherwise would have had.

V. BUSINESS INCOME COVERAGE EXTENSION

The following coverage extension applies only if Business Income Coverage is indicated as applicable in the Declarations:

A. DEPENDENT PROPERTIES BUSINESS INCOME

1. We will pay up to \$50,000 for the actual loss of Business Income you sustain due to the necessary suspension of operations during the period of restoration. The suspension must be caused by direct physical loss of or damage to property at the premises of a dependent property caused by or resulting from a Covered Cause of Loss.

2. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume operations, in whole or in part, by using any other available:
 - a. Source of materials; or
 - b. Outlets for your products.
3. If you do not resume operations, or do not resume operations as quickly as possible, we will pay based on the length of time it would have taken to resume operations as quickly as possible.
4. Dependent property means property operated by others whom you depend on to:
 - a. Deliver materials or services, other than water, communication or power supply services, to you, or to others for your account; or
 - b. Accept your products or services;
5. Period of Restoration, with respect to dependent property, means the period of time that:
 - a. Begins with the date 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 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".
6. Operations with respect to dependent property, means your business activities occurring at the described premises.
7. Suspension with respect to dependent property, means the slowdown or cessation of your business activities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPREHENSIVE INSURANCE POLICY METALWORKERS PROGRAM PROPERTY COVERAGE EXTENSION ENDORSEMENT

The following modifies insurance provided under:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS — BROAD FORM
CAUSES OF LOSS — SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) ACTUAL LOSS SUSTAINED COVERAGE FORM

I. BLANKET COVERAGE EXTENSIONS

With respect to the following Coverage Extensions, found under this Section I. BLANKET COVERAGE EXTENSIONS, A. through I., we will pay up to \$250,000, for loss or damage caused by a Covered Cause of Loss.

You may apply this limit to one or any combination of these Coverage Extensions, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Coverage Extension Limit for any one location.

If you purchase coverage separately for any of the blanketed coverages, the limit available in this Blanket Coverage Extension will be in addition to the specific limit purchased.

This Blanket Coverage Extensions Limit of insurance applies separately at each covered location shown in the Declarations and is subject to the Property Deductible shown in the Declarations.

A. ELECTRONIC DATA PROCESSING EQUIPMENT AND MEDIA

1. We will pay for loss or damage to:

a. "Electronic Data Processing Equipment", and related component parts that are:

- (1) Owned by you; or
- (2) Leased, rented or under your control and for which you are liable;

- b. Your "data" and "media" or "data" and "media" for which you are liable.
2. If the Causes of Loss – Special Form applies, the following Exclusions do not apply to this Extension:
 - a. Exclusion 1.b. (Earth Movement);
 - b. Exclusion 1.e. (Utility Services);
 - c. Exclusion 1.g. (Water);
 - d. Exclusion 2.a. (Artificially generated electric current);
 - e. Exclusion 2.d.(6) (Mechanical breakdown);
 - f. Exclusion 2.d.(7) (Changes in or extremes of temperature or humidity and marring or scratching).
3. As used in this Extension:
 - a. "Electronic Data Processing Equipment" means desktop or mainframe computers. "Electronic Data Processing Equipment" does not mean computerized equipment or related component parts used to operate or direct machinery;
 - b. "Data" means the information stored on "media", including computer programs.
 - c. "Media" means the material on which "data" is stored. "Media" also includes instructional materials provided with computer programs.

4. The value of the Covered Property will be determined as follows:
 - a. Equipment will be valued per the Valuation Condition, item 7. of the LOSS CONDITIONS in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM;
 - b. Data at the actual cost of reproducing the data. If data is not replaced or reproduced, then the cost of blank media;
 - c. Media at the actual cost to repair or replace the property with material of like kind and quality.

B. ACCOUNTS RECEIVABLE

1. We will pay:
 - a. All amounts due from your customers you are unable to collect, including sums you are unable to collect as a direct result of loss or damage to credit card slips;
 - b. Interest charges on any loan required to offset amounts you are unable to collect;
 - c. Collection expenses in excess of your normal collection expenses that are made necessary by the "loss"; and
 - d. Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from Covered Causes of Loss to your records of accounts receivable.
2. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for:
 - a. Loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings. But we will pay for direct loss caused by lightning.
 - b. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal wrongful giving, taking or withholding of money, securities or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.
 - c. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

3. Determination of Receivables

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:
 - (1) Determine the total average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and
 - (2) Adjust that total for any normal fluctuations in the amounts of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
- b. The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (1) The amount of the accounts for which there is no loss;
 - (2) The amount of the accounts that you are able to re-establish or collect;
 - (3) All unearned interest and service charges.

C. PERSONAL EFFECTS AND PROPERTY OF OTHERS

The coverage limit provided by the Coverage Extension Personal Effects and Property of Others (paragraph A.5.b. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM) is deleted .

D. VALUABLE PAPERS AND RECORDS

The coverage limit provided by the Coverage Extension Valuable Papers and Records (paragraph A.5.c. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM) is deleted.

E. DETACHED OUTDOOR SIGNS

We will pay for loss or damage to any detached outdoor sign permanently fixed in place as a result of a Covered Cause of loss.

F. FINE ARTS

We will pay for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a covered cause of loss.

G. FIRE DEPARTMENT SERVICE CHARGE

The coverage limit provided by the Additional Coverage Fire Department Service Charge (paragraph A.4.c. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM) is deleted.

H. RECHARGING

We will pay for expenses you incur for the recharging of fire extinguishers or fire extinguishing systems when used to fight fire on your premises or adjacent premises.

I. NEW LOCATIONS COVERAGE

1. You may extend the coverage that applies under these BLANKET COVERAGE EXTENSIONS to apply to any premises you acquire.
2. Insurance under this extension for each newly acquired premises will end when any of the following first occurs:
 - a. This policy expires;
 - b. 90 days after you acquire or begin construction at the new premises; or
 - c. You report values to us.

This extension does not apply to locations covered by the Builders' Risk Coverage Endorsement.

Each of the preceding Coverage Extensions is subject to the PROPERTY COVERAGE EXTENSION ENDORSEMENT, BLANKET COVERAGE EXTENSION LIMIT shown above.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

II. BUILDING AND PERSONAL PROPERTY COVERAGE EXTENSIONS

A. PRODUCTION EQUIPMENT AND MACHINERY

1. You may extend the insurance that applies to your Building or your Business Personal Property to apply to:
 - a. Machinery and equipment used in your production process that are:
 - (1) Your property; or
 - (2) The property of others in your care, custody or control; and

- b. Your Data and Media used with computerized production machinery and equipment; and

- c. If Business Income is shown as covered on the Commercial Property Coverage Part Declarations, your loss of net income, continuing normal operating expenses, and necessary extra expenses arising from direct physical loss to machinery and equipment used in your production process.

2. This extension does not apply to Electronic Data Processing Equipment, Data and Media used in your data processing operations.

3. If the Causes of Loss — Special Form applies, the following **Exclusions** do not apply to this Extension:

- a. Exclusion **B.2.a.** (Artificially generated electric current);

- b. Exclusion **B.2.d.(7)** (Dampness or dryness of atmosphere, changes in or extremes of temperature and marring or scratching).

4. The value of the Covered Property will be determined as follows:

- a. Equipment will be valued per the Valuation Condition, item 7. of the LOSS CONDITIONS of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM;

- b. Data at the actual cost of reproducing the data. If data is not replaced or reproduced, then the cost of blank media;

- c. Media at the actual cost to repair or replace the property with material of like kind and quality.

5. Deductible

We will not pay for loss or damage under this extension until the amount of the loss or damage exceeds \$500. We will then pay the amount of loss or damage in excess of \$500.

This provision does not apply if the Deductible shown in the Declarations is more than \$500 in which case the Deductible shown in the Declarations shall apply.

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

7. For any Property where Equipment Breakdown coverage applies, this coverage extension is deleted.

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B. BUSINESS PERSONAL PROPERTY OFF PREMISES

The Coverage Extension — **Property Off Premises** (paragraph **A.5.d.** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced with the following:

1. We will pay up to \$100,000 for loss or damage to Your Business Personal Property while it is away from the described premises, if it is:
 - a. Temporarily at a location you do not own, lease or operate;
 - b. In storage at a location you lease, provided the lease was executed after the beginning of the current policy term.
2. This Extension does not apply to Covered Property:
 - a. In transit;
 - b. In the care, custody or control of your salespersons; or
 - c. At any fair or exhibition.

C. FAIRS OR EXHIBITIONS

We will pay up to \$10,000 for loss or damage to Your Business Personal Property while temporarily on display to the public at fairs or exhibitions on premises not owned, operated or leased by the Named Insured. This extension does not apply to your Salespersons Samples or Fine Arts.

D. SALESPERSONS SAMPLES

We will pay up to \$10,000 for loss or damage to:

1. Samples of your stock in trade; and
2. Similar property of others;

while such property is in the care, custody, or control of your salespersons, sales agents, or yourself while acting as a salesperson and not on premises you own, lease or operate.

Coverage does not apply to property on display at any fair or exhibition or to Fine Arts.

E. NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

The Coverage Extension — **Newly Acquired or Constructed Property** (paragraph **A.5.a.** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced with the following:

1. Buildings

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

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

The most we will pay for loss or damage under this Extension is \$1,000,000 at each building.

2. Your Business Personal Property

- a. If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (1) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (2) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
 - (3) Business personal property that you newly acquire, located at the described premises.

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

- b. This extension does not apply to:

- (1) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (2) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

3. Period of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- a. This policy expires;

- b. 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- c. You report the values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

F. OUTDOOR PROPERTY

The Coverage Extension — **Outdoor Property** (paragraph **A.5.e.** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced by the following:

You may extend the insurance provided by this coverage form to apply to radio and television antennas (including satellite dishes), lawns, trees, plants, and shrubs (other than "stock" of trees, shrubs, or plants), including debris removal expense, while located outside of buildings for the following causes of loss:

1. Fire;
2. Lightning;
3. Explosion;
4. Riot or Civil Commotion;
5. Aircraft.

The most we will pay for loss or damage under this extension is \$25,000, but not more than \$1,000 for any one tree, plant, or shrub. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

G. MONEY AND SECURITIES

1. We will pay up to \$10,000 for loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction:
 - a. From any location described in the Declarations;
 - b. From any banking premises;
 - c. Outside your premises while being conveyed by a "messenger"; or
 - d. Within the living quarters of any "messenger".

2. As used in this Extension:
 - a. "Messenger" means you, any of your partners or any employee while having care and custody of the money and securities outside the described premises.
 - b. "Money" means:
 - (1) Currency, coins and bank notes in current use and having a face value; and
 - (2) Travelers checks, registered checks and money orders held for sale to the public.
 - c. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:
 - (1) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (2) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".
3. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for loss:
 - a. Resulting from accounting or arithmetical errors or omissions;
 - b. Resulting from the giving or surrendering of property in any exchange or purchase; or
 - c. Of property contained in any money operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.
4. You must keep records of all money and securities so we can verify the amount of any loss.

The terms of these extensions of coverage apply separately to each building.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

III. BUILDING AND PERSONAL PROPERTY ADDITIONAL COVERAGES

A. ORDINANCE OR LAW COVERAGE

Paragraph 4.e. Increased Cost of Construction in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by:

1. Application Of Coverage

The Coverage(s) provided by this endorsement apply only if both **1.a.** and **1.b.** are satisfied and are then subject to the qualifications set forth in **1.c.**

a. The ordinance or law:

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

But coverage under this Additional Coverage 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 Additional Coverage.

- b. (1) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (2) The building sustains 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.
- (3) 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 Additional Coverage even if the building has also sustained covered direct physical damage.

- c. In the situation described in **1.b.(2)** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this Additional Coverage. 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.

(Paragraph **7.** of this Additional Coverage provides an example of this procedure.)

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 Coverages **A**, **B** and/or **C** of this Additional Coverage.

2. We will not pay under this Additional Coverage for 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".
3. Coverage

a. Coverage A — Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for 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.

Coverage **A** is included within the Limit of Insurance shown in the Declarations as applicable to the covered building and does not increase the Limit of Insurance.

b. Coverage B — Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay 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 undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

c. Coverage C — Increased Cost of Construction

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

- (a) Repair or reconstruct damaged portions of the building; and/or
- (b) Reconstruct or remodel undamaged portions of the 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:

- (a) This coverage applies only if the Replacement Cost Optional Coverage applies to the building suffering loss.
- (b) 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.
- (c) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction.

(2) When a building is damaged or destroyed and Coverage C applies to that building in accordance with c.(1) 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.(1):

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

The items listed in (2)(a) through (2)(d) above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, c.(2).

4. Loss Payment

a. The following payment provisions, 4.b. and 4.c., are subject to the apportionment procedures set forth in section 1.c. of this Additional Coverage.

b. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

(1) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same premises or another premises, we will not pay more than the lesser of:

- (a) The amount you would actually spend to repair, rebuild or reconstruct the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparative quality of the original property insured; or
- (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

- (2) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
- (a) The actual cash value of the building at the time of loss; or
 - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- c. The most we will pay, for the total of all covered losses for Demolition Cost Coverage and Increased Cost of Construction Coverage in any one occurrence is \$250,000. Subject to the applicable Limit of Insurance, the following provisions apply:
- (1) For Demolition Cost we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - (2) With respect to the Increased Cost of Construction:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
5. The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.
 6. This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.
 7. Under this endorsement we will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged; and
 - b. You failed to comply with.
 8. Example of Proportionate Loss Payment for Building Ordinance coverage losses (procedure as set forth in section 1.c. of this Additional Coverage).

Assume:

 - Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
 - The building has a value of \$200,000
 - Total direct physical damage to building: \$100,000
 - The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
 - Portion of direct physical damage that is covered (caused by wind): \$30,000
 - Portion of direct physical damage that is not covered (caused by flood): \$70,000
 - Loss under Building Ordinance Coverage C of this Additional Coverage: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage,

$$\$30,000 / \$100,000 = .30$$

Step 2:

Apply that proportion to the Building Ordinance loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this Additional Coverage for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverages A and B of this Additional Coverage.

B. TRANSIT

If the Causes of Loss — Special Form is applicable to this policy, the **Additional Coverage Extension — Property in Transit** is deleted, and replaced by the following:

1. We will pay up to \$25,000 for loss or damage to covered property while in transit. The loss or damage must be caused by or result from one of the following causes of loss:
 - a. A Covered Cause of Loss;
 - b. Collision, upset or overturn;
Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
 - c. Flood;
 - d. Earthquake.
2. Coverage is provided while the property is in the custody of:
 - a. Any railroad, public trucker, private trucker or land transportation company;
 - b. You or anyone else while the Covered Property is in or on vehicles you own, lease or hire;
 - c. Any air transportation carrier;
 - d. Any water transportation carrier;
 - e. Any messenger in charge or control of the Covered Property.
3. Coverage does not apply to:
 - a. Property in the care, custody or control of your salespersons or you while acting as a salesperson;
 - b. Shipments by mail;
 - c. Property covered under import or export Ocean Cargo Policies;

- d. Intercoastal water shipments via the Panama Canal; or
- e. Coastwise water shipments to Alaska.

The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

C. EXTRA EXPENSE

We will pay up to \$100,000 for the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 1,000 feet of the site at which the described premises are located.

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

1. The portion of the building which you rent, lease or occupy; or
2. 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.

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.

1. We will pay any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":
 - a. At the described premises; or
 - b. At replacement premises or at temporary locations, including:
 - (1) Relocation Expenses; and
 - (2) Costs to equip and operate the replacement or temporary locations;
2. We will pay any Extra Expense to minimize the "suspension" of business if you cannot continue "operations"; or
3. We will pay any Extra Expense to:
 - a. Repair or replace any property; or

- b. Research, replace, or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this coverage form.

- 4. "Period of Restoration" means the period of time that:
 - a. Begins with the date 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:
 - (1) The date the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

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

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) 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".

- 5. "Operations" means your business activities occurring at the described premises.
- 6. "Suspension" means the slowdown or cessation of your business activities.

D. UTILITY SERVICES COVERAGE

We will pay up to \$25,000 for loss or damage to Covered Property at any described premises resulting from the interruption of service to that premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

- 1. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.
- 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;
 - b. Coaxial cables;
 - c. Microwave radio relays except satellites.
- 3. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.

E. ARSON REWARD

We will pay up to \$25,000 for information which leads to an arson conviction in connection with a fire loss covered under this policy. Regardless of the number of persons involved in providing information, our liability under this Additional Coverage shall not be increased.

F. COSTS TO PREPARE INVENTORY

- 1. We will pay up to \$10,000 for expenses you incur in compiling inventories at our request to assist us in determining the amount of a loss covered by this policy.
- 2. We will not pay for:
 - a. Expenses to prove that loss or damage is covered;
 - b. Expenses incurred under the Appraisal Loss Condition; or
 - c. Expenses or fees you incur from public insurance adjusters or for expenses related to claims not covered by this policy.

G. CONSEQUENTIAL LOSS TO "STOCK"

We will pay any reduction in the value of the remaining undamaged parts of covered "Stock" if a Covered Cause of Loss results in loss or damage to covered "Stock".

Payment for any reduction in value is included within the applicable Limit of Insurance.

H. PENALTY EXPENSE REIMBURSEMENT

We will reimburse you up to \$25,000 for penalties you incur due to your failure to deliver products as required under contracts with your customers. The penalties must result from direct physical loss or damage by a Covered Cause of Loss to Covered Property.

We will pay no more than \$50,000 under this additional coverage in any one policy year.

I. WATER BACKUP OF SEWERS OR DRAINS

Section B. Exclusions, Paragraph 1.g.(3) of the Causes of Loss Form is deleted.

We will pay up to \$25,000 for loss or damage to Covered Property at any described premises resulting from water that backs up or overflows from a sewer, drain or sump.

J. DEBRIS REMOVAL

The coverage limit provided by Additional Coverage **A.4.a. Debris Removal** in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is increased to \$50,000.

K. POLLUTION CLEAN UP AND REMOVAL

The coverage limit provided by Additional Coverage **A.4.d. Pollution Clean Up And Removal** in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is increased to \$25,000.

IV. OTHER BUILDING AND PERSONAL PROPERTY COVERAGE CHANGES

A. BUILDING DEFINITION

1. The following items are added as Covered Property — Buildings:

- a. Attached signs;
- b. Outdoor fences;
- c. Lightpoles; and
- d. "Machinery and Equipment Used in Your Production Process".

"Machinery and Equipment Used in Your Production Process" means stationary machines and stationary equipment utilized to:

- (1) transform raw material into a finished product; or
- (2) perform an intermediate process on your product or a product of others.

Hand held tools, equipment, or machines and "stock" are not "Machinery and Equipment Used in Your Production Process" and are considered Business Personal Property.

2. The second paragraph of paragraph **C. Limits of Insurance** is deleted.

B. PREMISES BOUNDARY

Paragraphs **A.1.a., Building, A.1.b., Your Business Personal Property, and A.1.c. Personal Property of Others**, of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** are amended to increase the distance limitation from within 100 feet of the described premises to within 1,000 feet of the described premises.

C. SELLING PRICE VALUATION

The following is added to the VALUATION Loss Condition of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:

We will determine the value of finished "stock" you manufacture, in the event of loss or damage, at:

1. The selling price, if no loss or damage had occurred;
2. Less discounts and expenses you otherwise would have had.

D. BUSINESS PERSONAL PROPERTY

Paragraph **A.1.b.(2)** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is deleted and replaced by the following:

- (2) Machinery and equipment other than "Machinery and Equipment Used in Your Production Process".

E. INVENTORY FLUCTUATION COVERAGE

The following is added to section **C.** — Limit of Insurance in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:

1. The limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
2. This increase will only apply if the limit of insurance shown for Business Personal Property in the declarations is at least 90% of the average monthly values for the 12 months immediately preceding the date of loss, or if you have been in business for less than 12 months, such shorter period of time.
3. This increase will not apply to property covered on a blanket basis or under a value reporting form.

F. PRECIOUS METALS — THEFT EXTENSION

Limitation **C.3.b.(1)** of the Causes of Loss — Special Form is deleted and replaced by the following:

- b. (1)** \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious or semiprecious stones, bullion and gold. This limitation does not apply to jewelry and watches worth \$100 or less per item.
- (2)** \$25,000 for silver, platinum and other precious metals or alloys.

G. PATTERNS, DIES, MOLDS AND FORMS

Limitation **C.3.c.** of the Causes of Loss — Special Form is deleted and replaced by the following:

- c.** \$100,000 for patterns, dies, molds and forms

V. BUSINESS INCOME COVERAGE EXTENSION

The following coverage extension applies only if Business Income Coverage is indicated as applicable in the Declarations:

A. DEPENDENT PROPERTIES BUSINESS INCOME

- 1.** We will pay up to \$50,000 for the actual loss of Business Income you sustain due to the necessary suspension of operations during the period of restoration. The suspension must be caused by direct physical loss of or damage to property at the premises of a dependent property caused by or resulting from a Covered Cause of Loss.
- 2.** We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume operations, in whole or in part, by using any other available:
 - a.** Source of materials; or
 - b.** Outlets for your products.

- 3.** If you do not resume operations, or do not resume operations as quickly as possible, we will pay based on the length of time it would have taken to resume operations as quickly as possible.
- 4.** Dependent property means property operated by others whom you depend on to:
 - a.** Deliver materials or services, other than water, communication or power supply services, to you, or to others for your account; or
 - b.** Accept your products or services;
- 5.** Period of Restoration, with respect to dependent property, means the period of time that:
 - a.** Begins with the date 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 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".
- 6.** Operations with respect to dependent property, means your business activities occurring at the described premises.
 - 7.** Suspension with respect to dependent property, means the slowdown or cessation of your business activities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPREHENSIVE INSURANCE POLICY PREFERRED PROPERTY COVERAGE EXTENSION ENDORSEMENT

This following modifies insurance provided under:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS — BROAD FORM
CAUSES OF LOSS — SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) ACTUAL LOSS SUSTAINED COVERAGE FORM

I. BLANKET COVERAGE EXTENSIONS

With respect to the following Coverage Extensions, found under this Section I. BLANKET COVERAGE EXTENSIONS, A. through I., we will pay up to \$250,000, for loss or damage caused by a Covered Cause of Loss.

You may apply this limit to one or any combination of these Coverage Extensions, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Coverage Extension Limit for any one location.

If you purchase coverage separately for any of the blanketed coverages, the limit available in this Blanket Coverage Extension will be in addition to the specific limit purchased.

This Blanket Coverage Extensions Limit of insurance applies separately at each covered location shown in the Declarations and is subject to the Property Deductible shown in the Declarations.

A. ELECTRONIC DATA PROCESSING EQUIPMENT AND MEDIA

1. We will pay for loss or damage to:
 - a. "Electronic Data Processing Equipment", and related component parts that are:
 - (1) Owned by you; or
 - (2) Leased, rented or under your control and for which you are liable;
 - b. Your "data" and "media" or "data" and "media" for which you are liable.

2. If the Causes of Loss – Special Form applies, the following Exclusions do not apply to this Extension:
 - a. Exclusion 1.b. (Earth Movement);
 - b. Exclusion 1.e. (Utility Services);
 - c. Exclusion 1.g. (Water);
 - d. Exclusion 2.a. (Artificially generated electric current);
 - e. Exclusion 2.d.(6) (Mechanical breakdown);
 - f. Exclusion 2.d.(7) (Changes in or extremes of temperature or humidity and marring or scratching).
3. As used in this Extension:
 - a. "Electronic Data Processing Equipment" means desktop or mainframe computers. "Electronic Data Processing Equipment" does not mean computerized equipment or related component parts used to operate or direct machinery;
 - b. "Data" means the information stored on "media", including computer programs.
 - c. "Media" means the material on which "data" is stored. "Media" also includes instructional materials provided with computer programs.
4. The value of the Covered Property will be determined as follows:

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with its permission.

- a. Equipment will be valued per the Valuation Condition, item 7. of the LOSS CONDITIONS in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM;
- b. Data at the actual cost of reproducing the data. If data is not replaced or reproduced, then the cost of blank media;
- c. Media at the actual cost to repair or replace the property with material of like kind and quality.

B. ACCOUNTS RECEIVABLE

- 1. We will pay:
 - a. All amounts due from your customers you are unable to collect, including sums you are unable to collect as a direct result of loss or damage to credit card slips;
 - b. Interest charges on any loan required to offset amounts you are unable to collect;
 - c. Collection expenses in excess of your normal collection expenses that are made necessary by the "loss"; and
 - d. Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from Covered Causes of Loss to your records of accounts receivable.

- 2. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for:
 - a. Loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings. But we will pay for direct loss caused by lightning.
 - b. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal wrongful giving, taking or withholding of money, securities or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.
 - c. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

3. Determination of Receivables

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:
 - (1) Determine the total average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and
 - (2) Adjust that total for any normal fluctuations in the amounts of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
- b. The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (1) The amount of the accounts for which there is no loss;
 - (2) The amount of the accounts that you are able to re-establish or collect;
 - (3) All unearned interest and service charges.

C. PERSONAL EFFECTS AND PROPERTY OF OTHERS

The coverage limit provided by the Coverage Extension **Personal Effects and Property of Others** (paragraph A.5.b. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM) is deleted .

D. VALUABLE PAPERS AND RECORDS — COST OF RESEARCH

The coverage limit provided by the Coverage Extension **Valuable Papers and Records — Cost of Research** (paragraph A.5.c. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM) is deleted.

E. DETACHED OUTDOOR SIGNS

We will pay for loss or damage to any detached outdoor sign permanently fixed in place as a result of a Covered Cause of loss.

F. FINE ARTS

We will pay for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a covered cause of loss.

G. FIRE DEPARTMENT SERVICE CHARGE

The coverage limit provided by the Additional Coverage **Fire Department Service Charge** (paragraph **A.4.c. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted.

H. RECHARGING

We will pay for expenses you incur for the recharging of fire extinguishers or fire extinguishing systems when used to fight fire on your premises or adjacent premises.

I. NEW LOCATIONS COVERAGE

1. You may extend the coverage that applies under these BLANKET COVERAGE EXTENSIONS to apply to any premises you acquire.
2. Insurance under this extension for each newly acquired premises will end when any of the following first occurs:
 - a. This policy expires;
 - b. 90 days after you acquire or begin construction at the new premises; or
 - c. You report values to us.

This extension does not apply to locations covered by the Builders' Risk Coverage Endorsement.

Each of the preceding Coverage Extensions is subject to the PROPERTY COVERAGE EXTENSION ENDORSEMENT, BLANKET COVERAGE EXTENSION LIMIT shown above.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

II. BUILDING AND PERSONAL PROPERTY COVERAGE EXTENSIONS

A. BUSINESS PERSONAL PROPERTY OFF PREMISES

The Coverage Extension — Property Off Premises (paragraph **A.5.d. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced with the following:

1. We will pay up to \$25,000 for loss or damage to Your Business Personal Property while it is away from the described premises, if it is:
 - a. Temporarily at a location you do not own, lease or operate; or
 - b. In storage at a location you lease, provided the lease was executed after the beginning of the current policy term.
2. This Extension does not apply to Covered Property:
 - a. In transit;
 - b. In the care, custody or control of your salespersons; or
 - c. At any fair or exhibition.

B. FAIRS OR EXHIBITIONS

We will pay up to \$10,000 for loss or damage to Your Business Personal Property while temporarily on display to the public at fairs or exhibitions on premises not owned, operated or leased by the Named Insured. This extension does not apply to your Salespersons Samples or Fine Arts.

C. SALESPERSONS SAMPLES

We will pay up to \$10,000 for loss or damage to:

1. Samples of your stock in trade; and
2. Similar property of others;

while such property is in the care, custody, or control of your salespersons, sales agents, or yourself while acting as a salesperson and not on premises you own, lease or operate.

Coverage does not apply to property on display at any fair or exhibition or to Fine Arts.

D. NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

The Coverage Extension — Newly Acquired or Constructed Property (paragraph **A.5.a. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced with the following:

1. Buildings

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

- a. Your new buildings while being built on the described premises; and

- b. Buildings you acquire at locations, other than the described premises, intended for:

- (1) Similar use as the building described in the Declarations; or
- (2) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$1,000,000 at each building.

2. Your Business Personal Property

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

- (1) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (2) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (3) Business personal property that you newly acquire, located at the described premises.

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

- b. This extension does not apply to:

- (1) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (2) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

3. Period of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- a. This policy expires;
- b. 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- c. You report the values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

E. OUTDOOR PROPERTY

The Coverage Extension — **Outdoor Property** (paragraph **A.5.e.** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced by the following:

You may extend the insurance provided by this coverage form to apply to radio and television antennas (including satellite dishes), lawns, trees, plants, and shrubs (other than "stock" of trees, shrubs, or plants), including debris removal expense, while located outside of buildings for the following causes of loss:

1. Fire;
2. Lightning;
3. Explosion;
4. Riot or Civil Commotion;
5. Aircraft.

The most we will pay for loss or damage under this extension is \$10,000, but not more than \$500 for any one tree, plant, or shrub. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

F. MONEY AND SECURITIES

1. We will pay up to \$10,000 for loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction from:

- a. Any location described in the Declarations;
- b. Any banking premises;
- c. Outside your premises while being conveyed by a "messenger"; or
- d. Within the living quarters of any "messenger".

2. "Messenger" means you, any of your partners or any employee while having care and custody of the money and securities outside the described premises.

3. "Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and

- b. Travelers checks, registered checks and money orders held for sale to the public.
- 4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
- 5. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for loss:
 - a. Resulting from accounting or arithmetical errors or omissions;
 - b. Resulting from the giving or surrendering of property in any exchange or purchase;
 - c. Of property contained in any money operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.
- 6. You must keep records of all money and securities so we can verify the amount of any loss.

The terms of these extensions of coverage apply separately to each building.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

III. BUILDING AND PERSONAL PROPERTY ADDITIONAL COVERAGES

A. ORDINANCE OR LAW COVERAGE

Paragraph 4.e. **Increased Cost of Construction** of the Additional Coverages Section in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by:

1. Application Of Coverage

The Coverage(s) provided by this endorsement apply only if both **1.a.** and **1.b.** are satisfied and are then subject to the qualifications set forth in **1.c.**

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

But coverage under this Additional Coverage 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 Additional Coverage.

- b. (1) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (2) The building sustains 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.
- (3) 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 Additional Coverage even if the building has also sustained covered direct physical damage.

- c. In the situation described in **1.b.(2)** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this Additional Coverage. 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.

(Paragraph 7. of this Additional Coverage provides an example of this procedure.)

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 Coverages **A**, **B** and/or **C** of this Additional Coverage.

2. We will not pay under this Additional Coverage for 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".

3. Coverage

a. Coverage A — Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for 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.

Coverage **A** is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building and does not increase the Limit of Insurance.

b. Coverage B — Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay 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 undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

c. Coverage C — Increased Cost of Construction

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

- (a) Repair or reconstruct damaged portions of the building; and/or

- (b) Reconstruct or remodel undamaged portions of the 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:

- (a) This coverage applies only if the Replacement Cost Optional Coverage applies to the building loss.

- (b) 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.

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

The Coinsurance Additional Condition does not apply to Increased Cost of Construction.

- (2) When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with **c.(1)** 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.(1)**:

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

- (b) Foundations of the building;

- (c) Pilings; and

- (d) Underground pipes, flues, and drains.

The items listed in **(2)(a)** through **(2)(d)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **c.(2)**.

4. Loss Payment

- a. The following payment provisions, **4.b.** and **4.c.**, are subject to the apportionment procedures set forth in section **1.c.** of this Additional Coverage.
 - b. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - (1) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same premises or another premises, we will not pay more than the lesser of:
 - (a) The amount you would actually spend to repair, rebuild or reconstruct the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparative quality of the original property insured; or
 - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.
 - (2) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (a) The actual cash value of the building at the time of loss; or
 - (b) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - c. The most we will pay, for the total of all covered losses for Demolition Cost Coverage and Increased Cost of Construction Coverage in any one occurrence is \$50,000. Subject to the applicable Limit of Insurance, the following provisions apply:
 - (1) For Demolition Cost we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - (2) With respect to the Increased Cost of Construction:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
5. The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.
 6. Under this endorsement we will not pay for loss due to any ordinance or law that
 - a. You were required to comply with before the loss, even if the building was undamaged; and
 - b. You failed to comply with.
 7. Example of Proportionate Loss Payment for Building Ordinance coverage losses (procedure as set forth in section **1.c.** of this Additional Coverage).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Building Ordinance Coverage **C** of this Additional Coverage: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage,

$$\$30,000/\$100,000 = .30$$

Step 2:

Apply that proportion to the Building Ordinance loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this Additional Coverage for the Coverage **C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverages **A** and **B** of this Additional Coverage.

B. TRANSIT

If the Causes of Loss — Special Form is applicable to this policy, **Section F. Additional Coverage Extension — 1. Property in Transit** is deleted and replaced by the following:

1. We will pay up to \$10,000 for loss or damage to covered property while in transit. The loss or damage must be caused by or result from one of the following causes of loss:
 - a. A Covered Cause of Loss;
 - b. Collision, upset or overturn;

Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.

- c. Flood;
 - d. Earthquake.
2. Coverage is provided while the property is in the custody of:
 - a. Any railroad, public trucker, private trucker or land transportation company;
 - b. You or anyone else while the Covered Property is in or on vehicles you own, lease or hire;
 - c. Any air transportation carrier;
 - d. Any water transportation carrier;
 - e. Any messenger in charge or control of the Covered Property.
 3. Coverage does not apply to:
 - a. Property in the care, custody or control of your salespersons or you while acting as a salesperson;
 - b. Shipments by mail;
 - c. Property covered under import or export Ocean Cargo Policies;
 - d. Intercoastal water shipments via the Panama Canal; or
 - e. Coastwise water shipments to Alaska.

The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

C. EXTRA EXPENSE

We will pay up to \$50,000 for the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 1,000 feet of the site at which the described premises are located.

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

1. The portion of the building which you rent, lease or occupy; or

2. 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.

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.

1. We will pay any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":
 - a. At the described premises; or
 - b. At replacement premises or at temporary locations, including:
 - (1) Relocation Expenses; and
 - (2) Costs to equip and operate the replacement or temporary locations;
2. We will pay any Extra Expense to minimize the "suspension" of business if you cannot continue "operations"; or
3. We will pay any Extra Expense to:
 - a. Repair or replace any property; or
 - b. Research, replace, or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this coverage form.
4. "Period of Restoration" means the period of time that:
 - a. Begins with the date 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:
 - (1) The date the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

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

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) 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".

5. "Operations" means your business activities occurring at the described premises.
6. "Suspension" means the slowdown or cessation of your business activities.

D. UTILITY SERVICES COVERAGE

We will pay up to \$25,000 for loss or damage to Covered Property at any described premises resulting from the interruption of service to that premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

1. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.
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;
 - b. Coaxial cables;
 - c. Microwave radio relays except satellites.
3. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.

E. ARSON REWARD

We will pay up to \$25,000 for information which leads to an arson conviction in connection with a fire loss covered under this policy. Regardless of the number of persons involved in providing information our liability under this Additional Coverage shall not be increased.

F. COSTS TO PREPARE INVENTORY

1. We will pay up to \$10,000 for expenses you incur in compiling inventories at our request to assist us in determining the amount of a loss covered by this policy.
2. We will not pay for:
 - a. Expenses to prove that loss or damage is covered; and
 - b. Expenses incurred under the Appraisal Loss Condition.
 - c. Expenses or fees you incur from public insurance adjusters or for expenses related to claims not covered by this policy.

G. WATER BACKUP OF SEWERS OR DRAINS

Section B. Exclusions, Paragraph 1.g.(3) of the Causes of Loss – Special Form is deleted.

We will pay up to \$15,000 for loss or damage to Covered Property at any described premises resulting from water that backs up or overflows from a sewer, drain or sump.

H. PENALTY EXPENSE REIMBURSEMENT

We will reimburse you up to \$15,000 for penalties you incur due to your failure to deliver products as required under contracts with your customers. The penalties must result from direct physical loss or damage by a Covered Cause of Loss to Covered Property.

We will pay no more than \$30,000 under this additional coverage in any one policy year.

I. DEBRIS REMOVAL

The coverage limit provided by Additional Coverage **A.4.a. Debris Removal** in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is increased to \$50,000.

IV. OTHER BUILDING AND PERSONAL PROPERTY COVERAGE CHANGES

A. BUILDING DEFINITION

1. The following items are added to Section A. 1. Covered Property, a. Buildings, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:
 - a. Attached signs;
 - b. Outdoor fences;
 - c. Lightpoles.
2. The second paragraph of Section A. 1. c. Limits of Insurance is deleted.

B. PREMISES BOUNDARY

Paragraphs **A.1.a., Building, A.1.b., Your Business Personal Property, and A.1.c., Personal Property of Others** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** are amended to increase the distance limitation from within 100 feet of the described premises to within 1,000 feet of the described premises.

V. BUSINESS INCOME COVERAGE EXTENSION

The following coverage extension applies only if Business Income Coverage is indicated as applicable in the Declarations:

A. DEPENDENT PROPERTIES BUSINESS INCOME

1. We will pay up to \$25,000 for the actual loss of Business Income you sustain due to the necessary suspension of operations during the period of restoration. The suspension must be caused by direct physical loss of or damage to property at the premises of a dependent property caused by or resulting from a Covered Cause of Loss.
2. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume operations, in whole or in part, by using any other available:
 - a. Source of materials; or
 - b. Outlets for your products.
3. If you do not resume operations, or do not resume operations as quickly as possible, we will pay based on the length of time it would have taken to resume operations as quickly as possible.
4. Dependent property means property operated by others whom you depend on to:
 - a. Deliver materials or services, other than water, communication or power supply services, to you, or to others for your account; or
 - b. Accept your products or services;
5. Period of Restoration, with respect to dependent property, means the period of time that:
 - a. Begins with the date 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 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".

6. Operations with respect to dependent property, means your business activities occurring at the described premises.

7. Suspension with respect to dependent property, means the slowdown or cessation of your business activities.

General Casualty Insurance Company

One General Drive
Sun Prairie, WI 53596
Telephone 608-837-4440

Comprehensive Insurance Policy

Insured Name
Address 1
Address 2
City State Zip Code

Your Independent Agent is:

Agent Name
Address1
City State Zip Code
Phone number: (XXX) XXX-XXX

Our Regional Office:

Address 1
City State Zip Code
Phone Number:
Fax Number:

Comprehensive Insurance Policy Quick Reference

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

Policy Period This policy period begins at 12:01 a.m. standard time at the named insured's mailing address on the date shown in the Declarations.

This Comprehensive Insurance Policy consists of one or more Coverage Part(s). Each Coverage Part consists of several items as described below:

Declaration Pages The Declarations list the named insured, policy period, the coverages provided and the limits of insurance. They also show the forms and endorsements that apply to this policy.

Coverage Parts Each Coverage Part is made up of a Coverage Form and Declaration(s), and is subject to the Common Policy Conditions. The Coverage Form describes the nature and extent of coverage provided. It also includes any conditions that apply specifically to that Coverage Part.

Additional Provisions or Exclusions This policy may be modified by additional provisions or exclusions. When this happens, the forms which contain those provisions or exclusions will be found after the Coverage Forms. The form numbers will also appear on the Declarations.

Common Policy Conditions and Conditions specific to Individual Coverage Parts This policy contains a Common Policy Conditions Form which lists those conditions which apply to all Coverage Parts written in the policy. Forms listing conditions which apply to individual coverage parts also appear on the Declarations.

This quick reference is not part of the Comprehensive Insurance Policy and does not provide coverage. Please read the Comprehensive Insurance Policy itself for actual contractual provisions.

In witness whereof, the Company designated on the Declaration page has caused this policy to be signed by its president and secretary, but this policy shall not be valid unless completed by the attachment hereto of a Declaration page and countersigned on the aforesaid Declaration page by a duly authorized representative of the company.



President, General Casualty Insurance Companies



Secretary, General Casualty Insurance Companies

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPREHENSIVE INSURANCE POLICY PROPERTY COVERAGE EXTENSION ENDORSEMENT

This following modifies insurance provided under:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS — BROAD FORM
CAUSES OF LOSS — SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) ACTUAL LOSS SUSTAINED COVERAGE FORM

I. BLANKET COVERAGE EXTENSIONS

With respect to the following Coverage Extensions, found under this Section I. BLANKET COVERAGE EXTENSIONS, A. through I., we will pay up to \$200,000, for loss or damage caused by a Covered Cause of Loss.

You may apply this limit to one or any combination of these Coverage Extensions, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Coverage Extension Limit for any one location.

If you purchase coverage separately for any of the blanketed coverages, the limit available in this Blanket Coverage Extension will be in addition to the specific limit purchased.

This Blanket Coverage Extensions Limit of insurance applies separately at each covered location shown in the Declarations and is subject to the Property Deductible shown in the Declarations.

A. ELECTRONIC DATA PROCESSING EQUIPMENT AND MEDIA

1. We will pay for loss or damage to:
 - a. "Electronic Data Processing Equipment", and related component parts that are:
 - (1) Owned by you; or
 - (2) Leased, rented or under your control and for which you are liable;
 - b. Your "data" and "media" or "data" and "media" for which you are liable.

2. If the Causes of Loss – Special Form applies, the following Exclusions do not apply to this Extension:
 - a. Exclusion 1.b. (Earth Movement);
 - b. Exclusion 1.e. (Utility Services);
 - c. Exclusion 1.g. (Water);
 - d. Exclusion 2.a. (Artificially generated electric current);
 - e. Exclusion 2.d.(6) (Mechanical breakdown);
 - f. Exclusion 2.d.(7) (Changes in or extremes of temperature or humidity and marring or scratching).
3. As used in this Extension:
 - a. "Electronic Data Processing Equipment" means desktop or mainframe computers. "Electronic Data Processing Equipment" does not mean computerized equipment or related component parts used to operate or direct machinery;
 - b. "Data" means the information stored on "media", including computer programs.
 - c. "Media" means the material on which "data" is stored. "Media" also includes instructional materials provided with computer programs.
4. The value of the Covered Property will be determined as follows:

Includes copyrighted material of ISO Commercial Risk Services Inc.,
with its permission.

- a. Equipment will be valued per the Valuation Condition, item 7. of the LOSS CONDITIONS in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM;
- b. Data at the actual cost of reproducing the data. If data is not replaced or reproduced, then the cost of blank media;
- c. Media at the actual cost to repair or replace the property with material of like kind and quality.

B. ACCOUNTS RECEIVABLE

- 1. We will pay:
 - a. All amounts due from your customers you are unable to collect, including sums you are unable to collect as a direct result of loss or damage to credit card slips;
 - b. Interest charges on any loan required to offset amounts you are unable to collect;
 - c. Collection expenses in excess of your normal collection expenses that are made necessary by the "loss"; and
 - d. Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from Covered Causes of Loss to your records of accounts receivable.

- 2. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for:
 - a. Loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings. But we will pay for direct loss caused by lightning.
 - b. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal wrongful giving, taking or withholding of money, securities or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.
 - c. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

3. Determination of Receivables

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:
 - (1) Determine the total average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and
 - (2) Adjust that total for any normal fluctuations in the amounts of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
- b. The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (1) The amount of the accounts for which there is no loss;
 - (2) The amount of the accounts that you are able to re-establish or collect;
 - (3) All unearned interest and service charges.

C. PERSONAL EFFECTS AND PROPERTY OF OTHERS

The coverage limit provided by the Coverage Extension **Personal Effects and Property of Others** (paragraph A.5.b. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM) is deleted .

D. VALUABLE PAPERS AND RECORDS — COST OF RESEARCH

The coverage limit provided by the Coverage Extension **Valuable Papers and Records — Cost of Research** (paragraph A.5.c. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM) is deleted.

E. DETACHED OUTDOOR SIGNS

We will pay for loss or damage to any detached outdoor sign permanently fixed in place as a result of a Covered Cause of loss.

F. FINE ARTS

We will pay for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a covered cause of loss.

G. FIRE DEPARTMENT SERVICE CHARGE

The coverage limit provided by the Additional Coverage **Fire Department Service Charge** (paragraph **A.4.c. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted.

H. RECHARGING

We will pay for expenses you incur for the recharging of fire extinguishers or fire extinguishing systems when used to fight fire on your premises or adjacent premises.

I. NEW LOCATIONS COVERAGE

1. You may extend the coverage that applies under these BLANKET COVERAGE EXTENSIONS to apply to any premises you acquire.
2. Insurance under this extension for each newly acquired premises will end when any of the following first occurs:
 - a. This policy expires;
 - b. 90 days after you acquire or begin construction at the new premises; or
 - c. You report values to us.

This extension does not apply to locations covered by the Builders' Risk Coverage Endorsement.

Each of the preceding Coverage Extensions is subject to the PROPERTY COVERAGE EXTENSION ENDORSEMENT, BLANKET COVERAGE EXTENSION LIMIT shown above.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance does not apply to these extensions.

II. BUILDING AND PERSONAL PROPERTY COVERAGE EXTENSIONS

A. BUSINESS PERSONAL PROPERTY OFF PREMISES

The Coverage Extension — Property Off Premises (paragraph **A.5.d. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced with the following:

1. We will pay up to \$25,000 for loss or damage to Your Business Personal Property while it is away from the described premises, if it is:
 - a. Temporarily at a location you do not own, lease or operate; or
 - b. In storage at a location you lease, provided the lease was executed after the beginning of the current policy term.
2. This Extension does not apply to Covered Property:
 - a. In transit;
 - b. In the care, custody or control of your salespersons; or
 - c. At any fair or exhibition.

B. FAIRS OR EXHIBITIONS

We will pay up to \$10,000 for loss or damage to Your Business Personal Property while temporarily on display to the public at fairs or exhibitions on premises not owned, operated or leased by the Named Insured. This extension does not apply to your Salespersons Samples or Fine Arts.

C. SALESPERSONS SAMPLES

We will pay up to \$10,000 for loss or damage to:

1. Samples of your stock in trade; and
2. Similar property of others;

while such property is in the care, custody, or control of your salespersons, sales agents, or yourself while acting as a salesperson and not on premises you own, lease or operate.

Coverage does not apply to property on display at any fair or exhibition or to Fine Arts.

D. NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

The Coverage Extension — Newly Acquired or Constructed Property (paragraph **A.5.a. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced with the following:

1. Buildings

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

- a. Your new buildings while being built on the described premises; and

- b. Buildings you acquire at locations, other than the described premises, intended for:

- (1) Similar use as the building described in the Declarations; or
- (2) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$1,000,000 at each building.

2. Your Business Personal Property

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

- (1) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (2) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (3) Business personal property that you newly acquire, located at the described premises.

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

- b. This extension does not apply to:

- (1) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (2) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

3. Period of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- a. This policy expires;
- b. 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- c. You report the values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

E. OUTDOOR PROPERTY

The Coverage Extension — **Outdoor Property** (paragraph **A.5.e.** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**) is deleted and replaced by the following:

You may extend the insurance provided by this coverage form to apply to radio and television antennas (including satellite dishes), lawns, trees, plants, and shrubs (other than "stock" of trees, shrubs, or plants), including debris removal expense, while located outside of buildings for the following causes of loss:

1. Fire;
2. Lightning;
3. Explosion;
4. Riot or Civil Commotion;
5. Aircraft.

The most we will pay for loss or damage under this extension is \$10,000, but not more than \$500 for any one tree, plant, or shrub. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

F. MONEY AND SECURITIES

1. We will pay up to \$10,000 for loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction from:
 - a. Any location described in the Declarations;
 - b. Any banking premises;
 - c. Outside your premises while being conveyed by a "messenger"; or
 - d. Within the living quarters of any "messenger".
2. "Messenger" means you, any of your partners or any employee while having care and custody of the money and securities outside the described premises.
3. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and

- b. Travelers checks, registered checks and money orders held for sale to the public.
- 4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
- 5. In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for loss:
 - a. Resulting from accounting or arithmetical errors or omissions;
 - b. Resulting from the giving or surrendering of property in any exchange or purchase;
 - c. Of property contained in any money operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.
- 6. You must keep records of all money and securities so we can verify the amount of any loss.

The terms of these extensions of coverage apply separately to each building.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these extensions.

III. BUILDING AND PERSONAL PROPERTY ADDITIONAL COVERAGES

A. ORDINANCE OR LAW COVERAGE

Paragraph 4.e. **Increased Cost of Construction** of the Additional Coverages Section in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by:

1. Application Of Coverage

The Coverage(s) provided by this endorsement apply only if both **1.a.** and **1.b.** are satisfied and are then subject to the qualifications set forth in **1.c.**

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

But coverage under this Additional Coverage 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 Additional Coverage.

- b. (1) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (2) The building sustains 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.
- (3) 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 Additional Coverage even if the building has also sustained covered direct physical damage.

- c. In the situation described in **1.b.(2)** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this Additional Coverage. 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.

(Paragraph 7. of this Additional Coverage provides an example of this procedure.)

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 Coverages **A**, **B** and/or **C** of this Additional Coverage.

2. We will not pay under this Additional Coverage for 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".

3. Coverage

a. Coverage A — Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for 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.

Coverage **A** is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building and does not increase the Limit of Insurance.

b. Coverage B — Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay 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 undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

c. Coverage C — Increased Cost of Construction

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

- (a) Repair or reconstruct damaged portions of the building; and/or
- (b) Reconstruct or remodel undamaged portions of the 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:

- (a) This coverage applies only if the Replacement Cost Optional Coverage applies to the building loss.
- (b) 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.
- (c) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction.

- (2) When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with **c.(1)** 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.(1)**:

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

The items listed in **(2)(a)** through **(2)(d)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **c.(2)**.

4. Loss Payment

- a. The following payment provisions, **4.b.** and **4.c.**, are subject to the apportionment procedures set forth in section **1.c.** of this Additional Coverage.
 - b. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - (1) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same premises or another premises, we will not pay more than the lesser of:
 - (a) The amount you would actually spend to repair, rebuild or reconstruct the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparative quality of the original property insured; or
 - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.
 - (2) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (a) The actual cash value of the building at the time of loss; or
 - (b) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - c. The most we will pay, for the total of all covered losses for Demolition Cost Coverage and Increased Cost of Construction Coverage in any one occurrence is \$50,000. Subject to the applicable Limit of Insurance, the following provisions apply:
 - (1) For Demolition Cost we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - (2) With respect to the Increased Cost of Construction:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.

5. The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.
6. Under this endorsement we will not pay for loss due to any ordinance or law that
 - a. You were required to comply with before the loss, even if the building was undamaged; and
 - b. You failed to comply with.
7. Example of Proportionate Loss Payment for Building Ordinance coverage losses (procedure as set forth in section **1.c.** of this Additional Coverage).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Building Ordinance Coverage **C** of this Additional Coverage: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage,

$$\$30,000/\$100,000 = .30$$

Step 2:

Apply that proportion to the Building Ordinance loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this Additional Coverage for the Coverage **C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverages **A** and **B** of this Additional Coverage.

B. TRANSIT

If the Causes of Loss — Special Form is applicable to this policy, **Section F. Additional Coverage Extension — 1. Property in Transit** is deleted and replaced by the following:

1. We will pay up to \$10,000 for loss or damage to covered property while in transit. The loss or damage must be caused by or result from one of the following causes of loss:
 - a. A Covered Cause of Loss;
 - b. Collision, upset or overturn;

Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.

- c. Flood;
 - d. Earthquake.
2. Coverage is provided while the property is in the custody of:
 - a. Any railroad, public trucker, private trucker or land transportation company;
 - b. You or anyone else while the Covered Property is in or on vehicles you own, lease or hire;
 - c. Any air transportation carrier;
 - d. Any water transportation carrier;
 - e. Any messenger in charge or control of the Covered Property.
 3. Coverage does not apply to:
 - a. Property in the care, custody or control of your salespersons or you while acting as a salesperson;
 - b. Shipments by mail;
 - c. Property covered under import or export Ocean Cargo Policies;
 - d. Intercoastal water shipments via the Panama Canal; or
 - e. Coastwise water shipments to Alaska.

The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

C. EXTRA EXPENSE

We will pay up to \$50,000 for the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 1,000 feet of the site at which the described premises are located.

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

1. The portion of the building which you rent, lease or occupy; or

2. 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.

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.

1. We will pay any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":
 - a. At the described premises; or
 - b. At replacement premises or at temporary locations, including:
 - (1) Relocation Expenses; and
 - (2) Costs to equip and operate the replacement or temporary locations;
2. We will pay any Extra Expense to minimize the "suspension" of business if you cannot continue "operations"; or
3. We will pay any Extra Expense to:
 - a. Repair or replace any property; or
 - b. Research, replace, or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this coverage form.

4. "Period of Restoration" means the period of time that:
 - a. Begins with the date 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:
 - (1) The date the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

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

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) 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".

5. "Operations" means your business activities occurring at the described premises.
6. "Suspension" means the slowdown or cessation of your business activities.

D. UTILITY SERVICES COVERAGE

We will pay up to \$25,000 for loss or damage to Covered Property at any described premises resulting from the interruption of service to that premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

1. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.
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;
 - b. Coaxial cables;
 - c. Microwave radio relays except satellites.
3. Power Supply Services, meaning utility generating plants, switching stations, substations, transformers and transmission lines supplying electricity, steam or gas to the described premises.

E. ARSON REWARD

We will pay up to \$25,000 for information which leads to an arson conviction in connection with a fire loss covered under this policy. Regardless of the number of persons involved in providing information our liability under this Additional Coverage shall not be increased.

F. COSTS TO PREPARE INVENTORY

1. We will pay up to \$10,000 for expenses you incur in compiling inventories at our request to assist us in determining the amount of a loss covered by this policy.
2. We will not pay for:
 - a. Expenses to prove that loss or damage is covered; and
 - b. Expenses incurred under the Appraisal Loss Condition.
 - c. Expenses or fees you incur from public insurance adjusters or for expenses related to claims not covered by this policy.

G. WATER BACKUP OF SEWERS OR DRAINS

Section B. Exclusions, Paragraph 1.g.(3) of the Causes of Loss – Special Form is deleted.

We will pay up to \$15,000 for loss or damage to Covered Property at any described premises resulting from water that backs up or overflows from a sewer, drain or sump.

H. PENALTY EXPENSE REIMBURSEMENT

We will reimburse you up to \$15,000 for penalties you incur due to your failure to deliver products as required under contracts with your customers. The penalties must result from direct physical loss or damage by a Covered Cause of Loss to Covered Property.

We will pay no more than \$30,000 under this additional coverage in any one policy year.

I. DEBRIS REMOVAL

The coverage limit provided by Additional Coverage **A.4.a. Debris Removal** in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is increased to \$50,000.

IV. OTHER BUILDING AND PERSONAL PROPERTY COVERAGE CHANGES

A. BUILDING DEFINITION

1. The following items are added to Section A. 1. Covered Property, a. Buildings, of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:
 - a. Attached signs;
 - b. Outdoor fences;
 - c. Lightpoles.
2. The second paragraph of Section A. 1. c. Limits of Insurance is deleted.

B. PREMISES BOUNDARY

Paragraphs **A.1.a., Building, A.1.b., Your Business Personal Property, and A.1.c., Personal Property of Others** of the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** are amended to increase the distance limitation from within 100 feet of the described premises to within 1,000 feet of the described premises.

V. BUSINESS INCOME COVERAGE EXTENSION

The following coverage extension applies only if Business Income Coverage is indicated as applicable in the Declarations:

A. DEPENDENT PROPERTIES BUSINESS INCOME

1. We will pay up to \$25,000 for the actual loss of Business Income you sustain due to the necessary suspension of operations during the period of restoration. The suspension must be caused by direct physical loss of or damage to property at the premises of a dependent property caused by or resulting from a Covered Cause of Loss.
2. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume operations, in whole or in part, by using any other available:
 - a. Source of materials; or
 - b. Outlets for your products.
3. If you do not resume operations, or do not resume operations as quickly as possible, we will pay based on the length of time it would have taken to resume operations as quickly as possible.
4. Dependent property means property operated by others whom you depend on to:
 - a. Deliver materials or services, other than water, communication or power supply services, to you, or to others for your account; or
 - b. Accept your products or services;
5. Period of Restoration, with respect to dependent property, means the period of time that:
 - a. Begins with the date 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 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".

6. Operations with respect to dependent property, means your business activities occurring at the described premises.

7. Suspension with respect to dependent property, means the slowdown or cessation of your business activities.

SERFF Tracking Number: GCCW-125381493 *State:* Arkansas
First Filing Company: General Casualty Company of Wisconsin, ... *State Tracking Number:* EFT \$50
Company Tracking Number: 020108 10360R
TOI: 05.0 Commercial Multi-Peril - Liability & Non- *Sub-TOI:* 05.0003 Commercial Package
Liability
Product Name: Comprehensive Insurance Policy Forms
Project Name/Number: /020108 10360R

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: GCCW-125381493 State: Arkansas
First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50
Company Tracking Number: 020108 10360R
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package
Liability
Product Name: Comprehensive Insurance Policy Forms
Project Name/Number: /020108 10360R

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 01/15/2008

Comments:

Attachments:

Form Filing Schedule.pdf
Filing Schedule - Page 2.pdf

Satisfied -Name: Forms List **Review Status:** Approved 01/15/2008

Comments:

Attachments:

Forms Filing list GCW 1207.pdf
Forms Filing list Regent 1207.pdf

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 #		020108 10360R		
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
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	Comprehensive Insurance Policy Jacket	CI 7900 0400	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CI 7900 0786	
02	CIP Property Coverage Extension Endorsement	CP 7950 0206	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP 7950 1095	
03	Product Recall Expense Coverage Form	CG 8000 0902	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Product Recall Expense Coverage Part Declarations	CG 8109 0306	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Golf Course Limited Pollution Endorsement	CG 8109 0306	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Golfmaster Property Supplemental Declarations	CP 7911 1298	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Golfmaster Property Extension Endorsement	CP 7963 0201	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Transit – Refrigeration Breakdown Coverage	CP 7964 0198	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Restaurant Program – House Specials	CP 7965 0201	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Wholesale Distributors Program Supplemental Declarations	CP 7970 1297	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

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 #	020108 10360R			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
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	Wholesale Distributors Program Property Coverage Extension Endorsement	CP 7971 0206	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Food Processors Program Property Coverage Extension Endorsement	CP 7975 0206	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Food Processors Program Optional Coverage Declarations	CP 7977 1297	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Metalworkers Program Property Coverage Extension Endorsement	CP 7981 0206	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	CIP Preferred Property Coverage Extension Endorsement	CP 7995 0206	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input 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		

Arkansas

Independent filings for Comprehensive Insurance Policy Exception Pages

Form #	Ed Date	Title	Optional?	Premium Bearing	Status
BA 1201	04 91	Business Auto Coverage Part Declarations – Schedule of Coverages	No	No	No longer part of the CIP Product – Withdraw from this filing
BM 7900	07 86	Boiler & Machinery Coverage Part Declarations	Yes	Yes	Obsolete – Withdraw
CG7950	02 01	CIP Liability Coverage Extension Endorsement	No	No	Obsolete – Withdraw
CI 7900	03 92	Comprehensive Insurance Policy Jacket	No	No	Obsolete – Withdraw
CM 7917	02 96	Inland Marine Coverage Part Declarations	Yes	No	No longer part of the CIP Product – Withdraw from this filing
CP 7906	07 86	Glass Coverage Form Declarations	Yes	No	Obsolete – Withdraw
CP 7908	02 96	Commercial Property Coverage Part Declarations	No	No	Obsolete – Withdraw
CP 7950	02 01	CIP Property Coverage Extension Endorsement	No	No	Obsolete - Withdraw
CR 7901	02 96	Crime Coverage Part Declarations	Yes	No	Obsolete - Withdraw
CR 7902	07 86	Liability For Guests' Property – Premises	Yes	Yes	Obsolete – Withdraw
CR 7904	07 86	Liability For Guests' Property – Safe Deposit	Yes	Yes	Obsolete – Withdraw
CR 7906	07 86	Safe Depository Declarations	Yes	Yes	Obsolete – Withdraw
GP 1203A	04 91	Garage Policy Coverage Part Declarations – Schedule of Coverages and Covered Autos	Yes	Yes	No longer part of the CIP Product – Withdraw from

					this filing
GP 1203B	04 91	Garage Policy Coverage Part Declarations – Non-Dealers Schedule of Coverages and Covered Autos	Yes	Yes	No longer part of the CIP Product – Withdraw from this filing
TP 1202	04 91	Truckers Policy Coverage Part Declarations	Yes	Yes	No longer part of the CIP Product – Withdraw from this filing
CG 7901	09 00	CIP Commercial GL Coverage Part Declarations	No	No	Current
CG 7902	09 00	CIP Commercial GL Coverage Part Declarations Schedule	No	No	Current
CI 7901	07 86	Comprehensive Insurance Policy Master Declarations	No	No	Current
CP 7901	10 00	CIP Commercial Property Coverage Part Declarations	No	No	Current
CP 7984	06 05	CIP Home Medical Equipment Program Property Coverage Extension Endorsement	Yes	No	Current
CI 7900	04 00	Comprehensive Insurance Policy Jacket	No	No	Replacement
CP 7950	02 06	CIP Property Coverage Extension Endorsement	No	No	Replacement

Arkansas

Independent filings for Comprehensive Insurance Policy Exception Pages

Form #	Ed Date	Title	Optional?	Premium Bearing	Status
BA 1201	04 91	Business Auto Coverage Part Declarations – Schedule of Coverages	No	No	No longer part of the CIP Product – Withdraw from this filing
BM 7900	07 86	Boiler & Machinery Coverage Part Declarations	Yes	Yes	Obsolete – Withdraw
CG 7950	02 01	CIP Liability Coverage Extension Endorsement	No	No	Obsolete – Withdraw
CI 7900	03 92	Comprehensive Insurance Policy Jacket	No	No	Obsolete – Withdraw
CM 7917	02 96	Inland Marine Coverage Part Declarations	Yes	No	No longer part of the CIP Product – Withdraw from this filing
CP 7906	07 86	Glass Coverage Form Declarations	Yes	No	Obsolete – Withdraw
CP 7908	02 96	Commercial Property Coverage Part Declarations	No	No	Obsolete – Withdraw
CP 7950	02 01	CIP Property Coverage Extension Endorsement	No	No	Obsolete - Withdraw
CR 7901	02 96	Crime Coverage Part Declarations	Yes	No	Obsolete - Withdraw
CR 7902	07 86	Liability For Guests' Property – Premises	Yes	Yes	Obsolete – Withdraw
CR 7904	07 86	Liability For Guests' Property – Safe Deposit	Yes	Yes	Obsolete – Withdraw
CR 7906	07 86	Safe Depository Declarations	Yes	Yes	Obsolete – Withdraw
GP 1203A	04 91	Garage Policy Coverage Part Declarations – Schedule of Coverages and Covered Autos	Yes	Yes	No longer part of the CIP Product – Withdraw from

					this filing
GP 1203B	04 91	Garage Policy Coverage Part Declarations – Non-Dealers Schedule of Coverages and Covered Autos	Yes	Yes	No longer part of the CIP Product – Withdraw from this filing
TP 1202	04 91	Truckers Policy Coverage Part Declarations	Yes	Yes	No longer part of the CIP Product – Withdraw from this filing
CG 7901	09 00	CIP Commercial GL Coverage Part Declarations	No	No	Current
CG 7902	09 00	CIP Commercial GL Coverage Part Declarations Schedule	No	No	Current
CI 7901	07 86	Comprehensive Insurance Policy Master Declarations	No	No	Current
CG 7963	08 06	Golfmaster General Liability Extension Endorsement	No	No	Current
CG 8000	09 02	Product Recall Expense Coverage Form	Yes	Yes	New
CG 8006	07 94	Product Recall Expense Coverage Part Declarations	Yes	No	New
CG 8109	03 06	Golf Course Limited Pollution Endorsement	Yes	Yes	New
CI 7900	04 00	Comprehensive Insurance Policy Jacket	No	No	Replacement
CP 7911	12 98	Golfmaster Property Supplemental Declarations	Yes	No	New
CP 7963	02 01	Golfmaster Property Extension Endorsement	No	No	New
CP 7964	01 98	Transit – Refrigeration Breakdown Coverage	Yes	Yes	New
CP 7965	02 01	Restaurant Program – House Specials	No	No	New
CP 7970	12 97	Wholesale Distributors Program Supplemental Declarations	Yes	No	New
CP 7971	02 06	Wholesale Distributors Program Property Coverage Extension Endorsement	No	No	New
CP 7975	02 06	Food Processors Program Property Coverage Extension Endorsement	No	No	New

CP 7977	12 97	Food Processors Program Optional Coverage Declarations	Yes	No	New
CP 7981	02 06	Metalworkers Program Property Coverage Extension Endorsement	No	No	New
CP 7995	02 06	CIP Preferred Property Coverage Extension Endorsement	No	No	New