

SERFF Tracking Number: MRKB-125528185 State: Arkansas  
Filing Company: Markel Insurance Company State Tracking Number: EFT \$50  
Company Tracking Number: 0802FF021  
TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1000 CMP Sub-TOI Combinations  
Portion Only  
Product Name: Dude Ranch/Outfitters & Guides  
Project Name/Number: Dude Ranch/Outfitters & Guides - New forms/0802RF021

## Filing at a Glance

Company: Markel Insurance Company

Product Name: Dude Ranch/Outfitters & Guides SERFF Tr Num: MRKB-125528185 State: Arkansas

TOI: 05.1 Commercial Multi-Peril - Non-Liability SERFF Status: Closed State Tr Num: EFT \$50

Portion Only

Sub-TOI: 05.1000 CMP Sub-TOI Combinations Co Tr Num: 0802FF021 State Status: Fees verified and received

Filing Type: Form Co Status: Sent to DOI for Approval Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding  
Author: Wilfredo Mejia Disposition Date: 03/13/2008  
Date Submitted: 03/07/2008 Disposition Status: Approved

Effective Date Requested (New): 05/15/2008

Effective Date Requested (Renewal): 07/15/2008

Effective Date (New): 05/15/2008

Effective Date (Renewal):  
07/15/2008

State Filing Description:

## General Information

Project Name: Dude Ranch/Outfitters & Guides - New forms

Project Number: 0802RF021

Reference Organization: N/A

Reference Title: N/A

Filing Status Changed: 03/13/2008

State Status Changed: 03/13/2008

Corresponding Filing Tracking Number:

Filing Description:

Markel Insurance Company wishes to file the enclosed new Commercial Property endorsements for use with our Dude Ranch and Outdoor Program. These forms are intended to allow us to continue to provide a comprehensive product for the guides & outfitter industry.

Status of Filing in Domicile: Pending

Domicile Status Comments:

Reference Number: N/A

Advisory Org. Circular: N/A

Deemer Date:

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Please see our attached Filing Memorandum for further details. Corresponding rating rules are being deskfiled under separate cover, filing #0802RR021.

## Company and Contact

### Filing Contact Information

Wilfredo Mejia, Regulatory Compliance wmejia@markelcorp.com  
 Specialist  
 4600 Cox Road (800) 431-1270 [Phone]  
 Glen Allen, VA 23060 (804) 527-7900[FAX]

### Filing Company Information

Markel Insurance Company CoCode: 38970 State of Domicile: Illinois  
 4600 Cox Road Group Code: 785 Company Type: Commercial  
 Property & Casualty  
 Glen Allen, VA 23060 Group Name: State ID Number:  
 (800) 431-1270 ext. [Phone] FEIN Number: 36-3101262  
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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation: Flat fee  
 Per Company: No

| COMPANY                  | AMOUNT  | DATE PROCESSED | TRANSACTION # |
|--------------------------|---------|----------------|---------------|
| Markel Insurance Company | \$50.00 | 03/07/2008     | 18448502      |

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## Correspondence Summary

### Dispositions

| Status   | Created By       | Created On | Date Submitted |
|----------|------------------|------------|----------------|
| Approved | Llyweyia Rawlins | 03/13/2008 | 03/13/2008     |



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| Item Type           | Item Name  | Item Status | Public Access |
|---------------------|--|-------------|---------------|
| Supporting Document | Uniform Transmittal Document-Property & Casualty | Approved    | Yes           |
| Supporting Document | Cover Letter                                     | Approved    | Yes           |
| Supporting Document | Filing Memorandum                                | Approved    | Yes           |
| Form                | Custom Hospitality Enhancement                   | Approved    | Yes           |
| Form                | Elite Hospitality Enhancement                    | Approved    | Yes           |
| Form                | Cast & Shoot Enhancement                         | Approved    | Yes           |
| Form                | Outfitters & Guides Enhancement                  | Approved    | Yes           |

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## Form Schedule

| Review Status | Form Name                       | Form # | Edition Date | Form Type Action                 | Action Specific Data | Readability | Attachment   |
|---------------|---------------------------------|--------|--------------|----------------------------------|----------------------|-------------|--------------|
| Approved      | Custom Hospitality Enhancement  | MCP041 | 1/08         | Endorsement/Amendment/Conditions |                      | 0.00        | MCP04108.pdf |
| Approved      | Elite Hospitality Enhancement   | MCP042 | 1/08         | Endorsement/Amendment/Conditions |                      | 0.00        | MCP04208.pdf |
| Approved      | Cast & Shoot Enhancement        | MCP043 | 1/08         | Endorsement/Amendment/Conditions |                      | 0.00        | MCP04308.pdf |
| Approved      | Outfitters & Guides Enhancement | MCP044 | 1/08         | Endorsement/Amendment/Conditions |                      | 0.00        | MCP04408.pdf |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CUSTOM HOSPITALITY ENHANCEMENT**

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

Throughout this endorsement 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.

This endorsement modifies and is subject to the insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM**

The following is a summary of the limits of insurance, additional coverages and extensions provided by this endorsement. For complete details on specific coverages, consult the policy contract wording. Unless otherwise stated in specific coverage provision, no coinsurance applies under this form. These coverages apply separately to each of your premises described in the declarations. If no limit is shown for a coverage, then that coverage does not apply and all references to it are deleted from this endorsement.

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible. The deductible provisions do not preclude the imposition of any applicable coverage waiting period, as stated in specific coverage section of this form. Unless a separate deductible amount is shown in a specific coverage section of this form, we will not pay for loss or damage in any one occurrence under any coverage on this endorsement until the amount of loss or damage exceeds the lesser of the building or business personal property deductible applicable to the highest valued building on the schedule at the covered location at the time of loss. Deductibles do not reduce the amount of insurance.

The coverages in this Endorsement are primary. Any duplicate coverages found on other coverage forms and endorsements attached to this policy shall be excess. In case of any duplicate coverages, the highest Limit of Insurance will apply to that coverage. In no instance will limits be stacked or combined.

**I. AMENDMENTS TO COVERAGES UNDER THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM:**

**ANNUAL LIMITS OF INSURANCE**

**COVERAGE**

## II. AMENDMENTS TO COVERAGES UNDER THE CAUSES OF LOSS SPECIAL FORM:

### THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM IS AMENDED AS FOLLOWS:

#### SIGNS

- a. "Signs (other than signs attached to buildings)" is Deleted from Property Not Covered.
- b. In the Limits of Insurance section, the provision pertaining to signs attached to buildings does not apply. The limit applicable to each sign is the limit shown in the Schedule on this form in any one occurrence.
- c. Signs are subject to all applicable provisions of the Causes of Loss Form attached to this policy.

#### POLLUTANT CLEAN UP AND REMOVAL

Pollutant Clean Up and Removal is deleted and replaced by the following:

We will pay your expense to extract "pollutants" from land or water at the described premises, if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration, or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is the limit shown in the Schedule of this form for all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

The following are added to ADDITIONAL COVERAGES:

#### BUSINESS INCOME AND EXTRA EXPENSE

- a. Business Income means the:
  - (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
  - (2) Continuing normal operating expenses incurred, including payroll.
- b. 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.
- c. We will pay for:
  - (1) The actual loss of Business Income you sustain due to the necessary "suspension" of your business "operations" at the described premises during the "Period of Restoration". The "suspension" must be caused by direct physical loss of or damage to property, including personal property in the open (or in a vehicle) at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.
  - (2) The actual and necessary Extra Expense you incur during the "Period of Restoration" due to direct physical loss of or damage to property at the premises described in the Declarations, including personal property in the open (or in a vehicle), caused by or resulting from a Covered Cause of Loss.

(3) 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 72 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 Extra Expense will begin immediately after the time of that action and will end:

(1) 3 consecutive weeks after the time of that action; or

(2) When your Business Income coverage ends;

whichever is later.

d. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of operations caused by or resulting from any ordinance or law that:

(1) Regulates the construction or repair of any property;

(2) Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and

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

However, coverage is not extended under this coverage to include loss caused by or resulting from 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.

e. Extended Business Income

We will pay for the actual loss of Business Income you sustain during the seasonal term following the date the property is actually repaired, rebuilt or replaced, if that date is 30 days or less before the scheduled opening of the next seasonal term.

f. The most we will pay for loss of Business Income and Extra Expense in any one occurrence under this Coverage is \$50,000. No deductible applies to this coverage.

## REFRIGERATED GOODS SPOILAGE

We will pay for direct physical loss or damage to your business personal property and perishable personal property of others while in your care at or within 1000 feet of the described premises, caused by spoilage due to change in temperature or humidity resulting from:

(1) Mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus is at the described premises; and

(2) Contamination by refrigerant; or

(3) Complete or partial interruption of electrical power, either on or off the described premises due to conditions beyond your control.

Section A. Paragraph 5., Coverage Extensions of the Building and Personal Property Coverage Form does not apply.

Section B. Exclusions and Limitations of the Building and Personal Property Coverage Form is replaced by the following:

### (1) Exclusions

(a) Only the following exclusions contained in paragraph B.1. of the Special Causes of Loss form apply to this coverage:

(i) EARTH MOVEMENT;

(ii) GOVERNMENTAL ACTION;

(iii) NUCLEAR HAZARD;

(iv) WAR AND MILITARY ACTION; and

(v) WATER.

(b) The following exclusions are added:

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

(i) The disconnection of any refrigerating, cooling or humidity control system from the source of power;

(ii) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

(iii) The inability of an Electrical Utility Company or other power source to provide sufficient power due to lack of fuel or governmental order;

(iv) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand;

(v) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

The most we will pay for loss or damage during this policy term under this Additional Coverage is the limit shown in the Schedule of this form.

### **ACCOUNTS RECEIVABLE**

We have extended the insurance that applies to your business personal property to apply to your records of accounts receivable:

- (1) at a described premises or in or on a vehicle in transit between described premises; or
- (2) if the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss

We will pay for the loss while they are:

- (a) at a safe place away from your described premises; or
- (b) being taken to and returned from that place.

The amount of your account receivable loss includes:

- (1) all amounts due from customers that you are unable to collect;
- (2) interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage;
- (4) other reasonable expenses that you incur to reestablish your records of accounts receivable;

That result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable, including credit or charge card slips.

Accounts receivable will be determined as follows:

- (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of the loss or damage, the following method will be used:
  - (a) determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
  - (b) adjust that total by for any normal monthly fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance for that month.
- (2) The following will be deducted from the total amount of accounts receivable, however that total amount is established:

- (a) the amount of the accounts for which there is no loss or damage; and
- (b) the amount of the accounts that you are able to reestablish and collect; and
- (c) an amount for probable bad debts that you are normally unable to collect; and
- (d) all unearned interest and service charges.

- (3) You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

We will not pay for loss or damage caused by or resulting from any of the following:

- (1) alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding;
- (2) loss that requires any audit of records or any inventory computation to prove its factual existence;
- (3) loss resulting from bookkeeping, accounting or billing errors or omissions.

The most we will pay under this coverage is the limit shown in the Schedule of this form.

### **FIRE PROTECTION DEVICE RECHARGE**

We will pay to recharge or refill your fire protective devices that are permanently installed in buildings at described premises. This coverage only applies when such devices have been discharged while being used to combat a covered fire at the premises described in the declarations, which results in a covered loss. The most we will pay under this additional coverage is the limit shown in the Schedule of this form. No deductible applies to this Additional Coverage.

### **FIRE DEPARTMENT SERVICE CHARGE**

Fire Department Service Charge is deleted in its entirety and is replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the limit shown in the Schedule of this form for your liability for fire department service charges:

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

## LOSS DATA PREPARATION COSTS

We will pay up to the limit shown in the Schedule of this form for reasonable costs you incur in the preparing loss data required by the policy conditions of this policy after a covered property loss. This coverage does not include payments for any services rendered by a public adjuster.

## "MONEY" AND "SECURITIES"

We will pay for loss of "money" and "securities" used in your business while at the bank or savings institution, at the covered location or in transit between any of these places, resulting directly from:

- (1) "Theft", meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction.

We will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) 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.

All loss covered by one or more persons or involving a single act or series of related acts is considered one loss. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

Valuation Settlement: We will pay for:

Loss of "money" for not more than its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

- (1) At face value in the "money" issued by that country; or
- (2) In the United States of America's dollar equivalent on the day the loss was discovered.

Loss of "securities" for not more than their value at the close of business on the day the loss was discovered. We may, at our option:

- (1) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";

- (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the value of the "securities" at the close of business on the day the loss was discovered.

The most we will pay for loss during this policy term is:

- (1) The limit shown in the Schedule of this form for: On Premises "Money" and "Securities" while:
  - (a) In or on the covered location; or
  - (b) Within a bank or savings institution; and
- (2) The limit shown in the Schedule of this form for: Off Premises "Money" and "Securities" while anywhere else.

## CRIMINAL REWARD

We have extended the insurance provided by this endorsement for information leading to the arrest and conviction of persons responsible for crimes committed against the insured, when any covered loss is deemed suspicious by the police or fire department, and only when the person responsible is convicted of the crime.

The most we will pay under this extension is the annual limit shown in the Schedule of this form for criminal reward. No deductible applies to this Additional Coverage.

## FINE ARTS

We have extended the insurance that applies to your business personal property to apply to "Fine Arts".

Valuation will be determined as follows:

- (1) The value will be the least of:
  - (a) the market value of that property;
  - (b) the amount for which you are liable, if the property belongs to another;
  - (c) the cost of reasonably restoring that property to its condition immediately before a loss;
  - (d) the cost of replacing that property with substantially identical property; or
  - (e) the amount of insurance stated in this coverage extension.

The value of the property will be determined at the time of loss in the event of loss.

You must agree that:

- (1)** Covered Property will be packed and unpacked by professional packers.
- (2)** In the case of loss to any part or sets of pairs, we may:
  - (a)** repair or replace any part to restore the pair or set to its value before the loss; or
  - (b)** pay the difference between the value of the pair or set before and after the loss.

Property Not Covered means property while on exhibition at fair grounds or on the premises of any national or international exposition, or contraband or property in the course of illegal transportation or trade.

We will not pay for loss caused by or resulting from any of the following:

- (1)** Delay, loss of use, loss of market or any other consequential loss;
- (2)** Dishonest acts by you, your employees or authorized representatives; or anyone else with an interest in the property, or their employees or authorized representatives; or anyone entrusted with the property (except a carrier for hire). This exclusion applies whether or not such persons act alone or in collusion with other persons or whether or not such acts occur during the hours of employment.
- (3)** Any repair, restoration or retouching of the covered property.
- (4)** Wear and tear, any quality on the property that causes it to damage or destroy itself, pollution damage, gradual deterioration, or damage from insects, vermin or rodents. But if loss by a Covered Cause of Loss results, we will pay for that resulting loss.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form.

#### **EXHIBITION COVERAGE**

We have extended the insurance that applies to your business personal property or personal property of others in care, custody or control to apply only while such property is at an exhibition; held in temporary storage awaiting the setup of the exhibition or return to its destination following the exhibition; or in the due course of transit to or from the exhibition. In no event will coverage apply after the end of the policy period.

Valuation will be determined as follows:

- (1)** The value will be the least of:
  - (a)** the actual cash value of the property;
  - (b)** the cost of reasonably restoring that property to its condition immediately before loss or damage;
  - (c)** the cost of replacing that property with substantially identical property;
  - (d)** if there is an agreed consigned value for property of others in your care, custody or control, the value of such property will be the lowest consigned value; or
  - (e)** the amount stated in this coverage extension.

The value of the property will be determined at the time of loss in the event of loss.

Property Not Covered means:

- (1)** Accounts, bills, currency, deeds, evidences of debt, "money", notes or "securities",
- (2)** Property while in the mail;
- (3)** Property while waterborne. However, we will cover property while aboard vessels on inland waterways when waterborne transportation is incidental to the land portion of the journey;
- (4)** Import shipments:
  - (a)** Until discharged from the import conveyance; or
  - (b)** Until Ocean Marine insurance ceases;Whichever occurs last;
- (5)** Export shipments:
  - (a)** After placed on the outbound conveyance;
  - (b)** When Ocean Marine insurance applies to the shipment;Whichever occurs first; or
- (6)** Contraband, or property in the course of illegal transportation or trade.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form.

## PROCESSORS COVERAGE

We have extended the insurance that applies to your business personal property to apply to Covered Property that is owned by you or the property of others for which you are legally liable only while such property is in the care, custody or control of a processor or in due course of transit to or from a processor; for the purpose of performing work upon the property.

Valuation will be determined as follows:

- (1) The value will be the least of:
  - (a) the actual cash value of the property;
  - (b) the cost of reasonably restoring that property to its condition immediately before loss or damage;
  - (c) the cost of replacing that property with substantially identical property;
  - (d) the value of property that is unfinished at the time of loss will include the value of labor, materials or services furnished by the processor, if you have paid the processor for such labor, materials or services. However, the value of the property will not exceed the cost to replace such property; or
  - (e) the amount of insurance stated in this coverage extension.

The value of the property will be determined at the time of loss in the event of loss.

Property Not Covered means:

- (1) Accounts, bills, currency, deeds, evidences of debt, "money", notes or "securities",
- (2) Property at, or in transit to or from, a processor that you own, lease or operate;
- (3) Property while in the mail; or
- (4) Contraband, or property in the course of illegal transportation or trade.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form.

## EXHIBITION COVERAGE AND PROCESSORS COVERAGE - EXCLUSIONS

The following exclusions apply to **EXHIBITION COVERAGE** and **PROCESSORS COVERAGE**. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

- (1) Theft from any unattended vehicle unless at the time of loss its windows, doors and compartments were closed and locked and there are visible signs of forced entry. But this exclusion does not apply to property in the custody of a carrier for hire.
- (2) Delay, loss of use, loss or market or any other consequential loss.
- (3) Unexplained disappearance.
- (4) Shortage found upon taking inventory.
- (5) Dishonest or criminal acts committed by you, any of your partners, employees, directors, trustees or authorized representatives; a manager or a member if you are a limited liability company; anyone else with an interest in the property, or their employees or authorized representatives; or anyone else to whom the property is entrusted for any purpose. This exclusion applies whether or not such persons act alone or in collusion with other persons or such acts occur during the hours of employment.
- (6) Artificially generated current causing a short circuit or other electrical disturbance within an article covered under this Coverage Form. But, if artificially generated current, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form. This exclusion only applies to loss or damage to that article in which the disturbance occurs.
- (7) 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.
- (8) Unauthorized instructions to transfer property to any person or to any place.
- (9) Neglect of an insured to use all reasonable means to save or preserve property from further damage at or after the time of loss.
- (10) Wear and tear, depreciation; any quality in the property that causes it to damage or destroy itself, latent or hidden defect; gradual deterioration; pollution damage; breakdown of Covered Property; malfunction, or failure of Covered Property to operate; insects, vermin, rodents; corrosion, dust, dampness, extremes of temperature. But if a loss by a Covered Cause of Loss results, we will pay for the resulting loss.

(11) Processing or work upon the property. But if processing or work upon the property results in fire or explosion, we will pay for direct loss caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

(12) Improper packing or stowage, or rough handling.

### **ELECTRONIC DATA PROCESSING EQUIPMENT INCLUDING EXTRA EXPENSE, SOFTWARE AND TRANSIT**

The Additional Coverage for Electronic Data is deleted and replaced by the following:

We have extended the insurance that applies to your business personal property to apply to:

- (1) Equipment - meaning your electronic data processing, word processing and telecommunications equipment including their component parts;
- (2) Software - meaning Data, Programs and Media:
  - (a) Data is information that has been converted to a form usable in data or word processing equipment. Data includes computer programs.
  - (b) Media is the material on which data is recorded.
- (3) Extra Expense - means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:
  - (a) to avoid or minimize the suspension of your business and to continue your normal business operations:
    - (i) at the described premises; or
    - (ii) at replacement premises or at temporary locations, including: relocation expenses and costs to equip and operate the replacement or temporary locations;
  - (b) to minimize suspension of business if you cannot continue your normal business operations; or
  - (c) to repair or replace lost information on damaged valuable papers and records to the extent that it reduces the amount of loss that otherwise would have been payable under this Extra Expense Coverage.

We will pay up to the limit stated in the Schedule of this form of the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to:

- (1) electronic data processing equipment, word processing equipment, telecommunications equipment, or data and media, which you own, lease or is under your control and is at your described premises or in transit;
- (2) the building in which the property described in (1) above is located, provided the building is damaged to an extent which prevents access to the property;
- (3) the air conditioning system that specifically services your data or word processing operation;
- (4) the electrical or telecommunication system that specifically services your data or word processing operation, provided the damage to the system occurs within 1000 feet of the building housing your data or word processing operation.

Covered property does not include:

- (1) property you loan, rent or lease while it is away from your described premises;
- (2) data or media which cannot be replaced with other of the same kind or quality;
- (3) accounts, bills, evidences of debt, valuable papers, abstracts, records, deeds, manuscripts or other documents, unless converted to Data, and then only in that form.

Exclusions - The Causes of Loss Special Form is amended as follows:

- (1) The following exclusions are deleted as respects Electronic Data Processing Equipment Including Extra Expenses, Software and Transit: **2.a., 2.c., 2.d.(2), 2.d.(3), 2.d.(4), 2.d.(5), 2.d.(6), 2.d.(7)(a), 2.e., 2.l.**

(2) The following exclusions are added:

**2.n.** Any change in, or interruption of:

- (a) power supply; or
- (b) telecommunications services;

If the change originates more than 1000 feet away from the premises containing the covered property (equipment). But if loss or damage by fire, explosion or theft results, we will pay for the resulting loss.

In addition to the above, we will not pay for any Extra Expense you incur due to:

- (a) programming errors or incorrect machine instructions;
- (b) interference by strikers or other persons with repairs to damage property, or with resumption of normal business operations;

- (c) mechanical or machinery breakdown of any property not named in the Extra Expense coverage;
- (d) the suspension, lapse or cancellation of any lease, license or contract beyond the "period of restoration";
- (e) any other consequential loss.

Valuation will be determined as follows:

- (1) Equipment - we will adjust a loss to Equipment on the basis of replacement cost. The most we will pay is:
  - (a) the amount necessary to repair the equipment; or
  - (b) the amount necessary to replace the equipment with material of the same kind or quality; or
  - (c) the applicable limit of insurance;
 whichever is less.

**(2) Software**

- (a) Data (including Programs), when insured on a combined limit basis with Media on the schedule, will be the actual cost of replacing the Data. If it is not replaced or reproduced, we will pay the cost of the blank Media.
- (b) Media we will value Media at the cost to replace the Media with material of the same kind or quality.

If we notify you in writing after we receive your signed, sworn statement of loss, we may take all or part of the damaged property at a value that we will agree upon with you. If we choose, we may also repair the damaged property, or replace it with similar property.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form for Electronic Data Processing Equipment including Extra Expense, Software and Transit.

**EMPLOYEE DISHONESTY**

- (1) We will pay for direct loss of or damage to business personal property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
  - (a) Cause you to sustain loss or damage; and also

- (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
  - (i) Any employee; or
  - (ii) Any other person or organization.

**(2) We will not pay for loss or damage:**

- (a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons,
- (b) Or where the only proof of which as to its existence or amount is:
  - (i) An inventory computation; or
  - (ii) A profit and loss computation.
- (3) The most we will pay for loss or damage during this policy term is the limit shown in the Schedule of this form.
- (4) All loss or damage caused by one or more persons or involving a single act or series of related acts is considered one occurrence.
- (5) We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no limit of insurance cumulates from year to year or period to period.
- (6) This Additional Coverage does not apply to any employee immediately upon discovery by you or any of your partners, officers or directors not in collusion with the employee of any dishonest act committed by that employee before or after being hired by you.
- (7) We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.
- (8) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage provided:
  - (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

(9) The insurance under paragraph (8) above is part of, not in addition to, the amount of insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:

- (a) This Additional Coverage as of its effective date; or
- (b) The prior insurance had it remained in effect.

(10) Employee also includes any non-compensated natural person:

- (a) Other than one who is fund solicitor, while performing services for you that are usual to the duties of an employee; or
- (b) While acting as fund solicitor during fund raising campaigns.

### **FORGERY OR ALTERATION**

(1) We will pay for loss involving covered instruments resulting directly from the covered causes of loss as stated in this Additional Coverage:

(a) Covered Instruments: Checks, drafts, promissory notes or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (i) made or drawn by or drawn upon you;
- (ii) made or drawn by one acting as your agent;

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

(b) Covered Causes of Loss: Forgery or alteration of, on or in any covered instrument.

(c) Extension: Legal Expenses: If you are sued for refusing to pay a covered instrument on the basis that it has been forged or altered, and you have our written consent to defend the suit, we will pay for any reasonable legal expense that you incur and pay in that defense. The amount we will pay under this extension is in addition to the limit of insurance applicable to the Forgery Additional Coverage.

(2) The most we will pay for loss in any one occurrence is the limit shown in the Schedule of this form.

(3) We will not pay for loss resulting from any dishonest or criminal act committed by any one of your employees, directors or trustees:

- (a) whether acting alone or in collusion with other persons; or

(b) while performing services for you or otherwise.

(4) Additional Conditions applicable to this Additional Coverage:

(a) We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

(b) You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

(c) We will cover loss you sustain anywhere in the world. This supersedes any other territorial definitions elsewhere in the policy.

(d) We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.

(5) An occurrence as respects this Additional Coverage means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

A \$500 deductible applies to this Additional Coverage.

### **CONTRACTUAL PENALTIES**

We will pay for contractual penalties imposed by written contract between you and your customer. These penalties must:

(1) Result from your failure to deliver your product on time according to contract terms;

(2) Result from direct physical loss or damage to Covered Property by a Covered Cause of Loss; and

(3) Have been paid by you to your customer.

The most we will pay under this coverage is the limit shown in the Schedule of this form.

### **ORDINANCE OR LAW COVERAGE**

The following replaces Increased Cost Of Construction in the Building and Personal Property Coverage Form and deletes the Ordinance or law exclusion in the Causes of Loss - Special Form:

(1) If a Covered Cause of Loss occurs to covered building property, we will pay:

(a) for loss in value for the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

- (i) requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;

(ii) regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(iii) is in force at the time of loss;

(b) the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law;

(c) the increased cost to:

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

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

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

However:

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

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

Coverage under this endorsement applies only in response to 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 endorsement.

But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

If the building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law, we will not pay the full amount of loss otherwise payable under this coverage. Instead, we will pay a portion of such loss, meaning the portion of that the covered direct physical damage bears to the total physical damage. However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this coverage.

(2) (a) We will not pay the following under coverage in (1)(a), (b) or (c) above:

(i) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" (as defined in form CP 00 10) or due to the presence, growth, proliferation, spread or any activity of "fungus" (as defined in CP 00 10), wet or dry rot or bacteria; or

(ii) 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" (as defined in form CP 00 10), "fungus" (as defined in form CP 00 10), wet or dry rot or bacteria.

(b) We will not pay the increased coverage afforded by (1)(c) above:

(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.

(c) We will not pay for loss due to any ordinance or law that:

(i) you were required to comply with before the loss, even if the building was undamaged; and

(ii) you failed to comply with.

(3) When there is a loss in value of an undamaged portion of a building, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

(a) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced on the same or another premises, we will not pay more than the amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured;

(b) 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 actual cash value of the building at the time of loss.

Both of the above are also subject to the maximum limit applicable to all loss or damage combined in any one occurrence shown in paragraph (4) that follows.

(4) The most we will pay for the loss for Loss in Value of the Undamaged Portion of the Building is the limit shown in Schedule of this form. The most we will pay for the Cost to Demolish and the Increased Cost of Construction is the limit shown in the Schedule of this form.

The following loss payment provisions also apply:

(a) For demolition cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

(b) With respect to the increased cost of construction:

(i) We will not pay for the increased cost of construction until the property is actually repaired or replaced at the same or another premises and unless the repairs are made as soon as possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(ii) 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.

(iii) 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 coverage apply separately to each building to which this coverage applies.

#### DEBRIS REMOVAL

Paragraph a.(4) of Additional Coverages, Debris Removal, is deleted and replaced by the following;

(4) We will pay up to the additional amount shown in the Schedule of this form for debris removal, 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 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 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 may reach but never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus the limit for Debris Removal shown on the Schedule.

#### THE FOLLOWING COVERAGE EXTENSIONS ARE AMENDED AS FOLLOWS:

a. Newly Acquired or Constructed Property is deleted in its entirety and is replaced by the following:

#### NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

##### (1) Buildings

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

(a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations other than the described premises, intended for:

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

(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is the limit shown in the Schedule of this form 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:

(i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;

(ii) 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

(iii) 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 the annual limit shown in the Schedule of this form at each building.

(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(ii) 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) 30 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 values to us.

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

b. Personal Effects and Property of Others is deleted in its entirety and replaced by the following:

**PERSONAL EFFECTS AND PROPERTY OF OTHERS**

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal effects, including horses, owned by you, your officers, directors, partners or members, trustees or your employees while those personal effects or horses are in the insureds care. This extension does not apply to loss or damage by theft.

(2) Personal property of others, including horses, in your care, custody and control.

The most we will pay for loss or damage under this Extension is the annual limit shown in the Schedule of this form at each described premises. A different limit applies depending on whether property includes owned horses or horses in your care, custody, and control. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. We can settle all losses with you and make all payments to you at our option. This property is not covered if it is already insured elsewhere.

c. Valuable Papers and Records (Other Than Electronic Data) is deleted in its entirety and replaced by the following:

**Valuable Papers and Records (Other Than Electronic Data)**

You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this exclusion does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.

Under this Extension the most we will pay to replace or restore the lost information is the limit shown on the Schedule of this form at each described premises. Such amount is additional insurance. We will also pay the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. **Property Off Premises** - the last sentence is amended to read as follows:

The most we will pay under this extension is the limit shown in the Schedule of this form.

e. Outdoor Property is deleted in its entirety and replaced by the following:

**Outdoor Property**

The most we will pay for loss or damage under this extension to trees, shrubs and plants, including debris removal expense, is the limit shown in the Schedule of this form subject to the per item amount. For all other outdoor property, the most we will pay for loss or damage under this extension is the limit per occurrence shown in the Schedule of this form.

We have extended insurance provided by this Coverage Form to apply to your outdoor radio and television antennas (including satellite dishes), trees, limited to within 100 feet of buildings or blocking roadways, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) fire;
- (2) lightning;
- (3) explosion;
- (4) riot or civil commotion;
- (5) aircraft;
- (6) windstorm; or
- (7) hail.

#### **THE FOLLOWING IS ADDED TO COVERAGE EXTENSIONS**

##### **"EMERGENCY" VACATING EXPENSES**

The insurance provided by this Coverage Form is extended to apply to the reasonable expenses that you incur in the "emergency" vacating of the premises of your facility.

We will not pay any expenses under this extension arising out of:

- (1) A strike, bomb threat or false fire alarm, unless vacating is ordered by civil authority;
- (2) A planned vacating drill;
- (3) The vacating of one or more of your customers, clients, residents, students, campers or users of your facility that is due and confined to their individual medical condition; or
- (4) Any of the following to the extent these causes of loss are excluded in Section B. of this Coverage Form:
  - (a) Governmental action;
  - (b) Nuclear hazard; and
  - (c) War and military action.

No other exclusions in your policy apply to this extension.

No deductible applies to this Additional Coverage.

The most we will pay for "Emergency" Vacating Expenses during this policy term under this extension is the limit shown in the Schedule of this form.

#### **CREDIT CARD AND COUNTERFEIT MONEY**

1. We will pay up to:

- a. \$2,000 for credit card transactions if our insured, by law, is held liable for the acceptance of fraudulent charges for service or merchandise associated with the insured operation, by the credit card company.
- b. \$2,000 for counterfeit money if an insured accepts in good faith counterfeit United States or Canadian paper money.

2. We will not pay for loss if:

- a. The loss is caused by the dishonesty of the insured or employee; or
- b. The loss occurs from a person using a credit card with consent of the credit card owner.

No deductible applies to this Additional Coverage.

#### **PREMISES LIMITATION**

The premises limitation found anywhere in the Commercial Property Coverage Part is broadened from "within 100 feet" of the described premises to "within 500 feet" of the described premises.

#### **CONSEQUENTIAL DAMAGE**

You may extend the insurance that applies to Your Business Personal Property to cover the consequential damage to your undamaged personal property. Consequential damage means a part or parts of your product are physically lost or damaged by a Covered Cause of Loss, causing the part or parts that are not damaged to be unmarketable as a complete product.

The most we will pay under this Coverage Extension is the limit shown in the Schedule of this form.

#### **DEFERRED PAYMENTS**

You may extend the insurance that applies to Your Business Personal Property to cover direct physical loss to the following:

- (1) Business Personal Property which you have sold under an installment or deferred payment plan which is in the possession of the buyer. We will only pay for your remaining interest in the property.
- (2) Business Personal Property which is rented or leased to others.

We will acquire your financial interest in the property we pay for under this Coverage Extension, up to the amount of our payment.

The most we will pay under this Coverage Extension is the limit shown in the Schedule of this form.

## WORLDWIDE PERSONAL PROPERTY

You may extend the insurance that applies to Your Business Personal Property to apply while it is outside the territorial limits of this policy, for loss caused by or resulting from any Covered Cause of Loss. Worldwide Personal Property coverage does not apply to:

- (1) Property within the coverage territory of the United States of America (including its territories and possessions), Puerto Rico and Canada;
- (2) Business Personal Property rented to or leased to others;
- (3) Business Personal Property at Newly Acquired Locations; or
- (4) "Stock".

The most we will pay under this Coverage Extension is the limit shown in the Schedule of this form.

## RECREATIONAL PROPERTY REDEFINED

If this policy provides coverage for your building(s), or, if you are a tenant, you have an ownership interest in these specific items, AND when a limit is shown on the policy or a value is included on your statement of values, the following will be included as COVERED PROPERTY:

The following is added to Section **A.**, Paragraph **1.**, Covered Property, Item **a.**:

1. Miscellaneous structures and outdoor fixtures including:
  - (a) Tent platforms;
  - (b) Pavilions and shelters;
  - (c) Docks, piers, floats, beach and diving platforms and appurtenances;
  - (d) Boat and canoe racks;
  - (e) Athletic backstops, surfaces and enclosures;
  - (f) Playground equipment;
  - (g) Swimming pools;
  - (h) Pumps, filters and metal smoke stacks;
  - (i) Above ground transmission lines; and
  - (j) Roadways, walks, patios and other paved surfaces.

1. When a limit is shown on the policy or a value is included on your statement of values, the following is added to COVERED PROPERTY, **BUSINESS PERSONAL PROPERTY**:

The following types of property:

- (a) Athletic and sports equipment, waterfront and pool equipment and supplies, and arts and crafts supplies;

- (b) Maintenance equipment and tools, office equipment and supplies, first aid and infirmary supplies, dry groceries, kitchen supplies and utensils and inventory from the insured's supply store;
- (c) Canoes, kayaks, windsurfers and boats under 21 feet in length, whether in or out of the water, and related equipment and outboard motors 30 horsepower and under;
- (d) Tents, beds and bedding and camping equipment;
- (e) Personal property that is owned by you in dwellings or living quarters furnished by you to staff members; and
- (f) All other personal property that is owned by you and used in your business.

Unless otherwise noted in this endorsement, the following limitation is deleted: covered business personal property or property of others limited to within 100 feet of the described premises. There is no limitation to distance from the described premises unless specifically stated in the above noted forms.

## 2. PROPERTY NOT COVERED

Item **p.** of Property Not Covered is deleted and replaced by the following:

- p.** Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from described premises.

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (2) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (3) Watercraft under 21 feet in length;
- (4) Outboard motors under 30 horsepower; or
- (5) Trailers, but only to the extent provided for in the Coverage Extension For Non-Owned Detached Trailers.

## 3. VACANCY LOSS CONDITIONS

The entire Vacancy Provisions section of LOSS CONDITIONS is deleted and replaced by the following:

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage, we will:

- a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (1) Vandalism;
  - (2) Sprinkler leakage, unless you have protected the system against freezing;
  - (3) Building glass breakage;
  - (4) Water damage;
  - (5) Theft; or
  - (6) Attempted theft.
- b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

For occupancies that are not seasonal, the term building and the term vacant have the following meanings:

- a. When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- b. When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
  - (1) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
  - (2) Used by the building owner to conduct customary operations.

For seasonal operations, a building shall not be considered vacant if the contents have been removed to another building, if the contents removed were of a seasonal nature or if the building vacated is part of an ongoing seasonal operation.

Buildings under construction or renovation are not considered vacant.

**THE CAUSES OF LOSS - SPECIAL FORM IS AMENDED AS FOLLOWS:**

- 1. The following exclusion is amended

**PERSONAL PROPERTY IN THE OPEN**

Section **B.2.j.** - Rain, snow, ice or sleet to personal property in the open is deleted in its entirety and replaced by the following:

- j. We will pay for loss or damage to property in the open caused by rain, snow, ice or sleet. The most we will pay for this Additional Coverage is the limit shown in the Schedule of this form.

- 2. The following **ADDITIONAL COVERAGES** are added:

**LOCK REPLACEMENT**

You may extend the insurance provided by this Coverage Part to apply to the cost to repair or replace the door locks or tumblers of your described premises due to theft of your door keys. The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form. This is additional insurance and the coinsurance condition does not apply to this Additional Coverage. No deductible applies to this Additional Coverage.

**WATER BACK UP OF SEWERS AND DRAINS**

We will pay for loss or damage caused by or resulting from water that backs up from a sewer or drain. The most we will pay under this Coverage Extension is the limit shown in the Schedule of this form in any one covered cause of loss.

**UTILITY SERVICES - DIRECT DAMAGE**

We will pay for loss or damage to Covered Property described in the Schedule, caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage caused by a Covered Cause of Loss (as indicated in the Schedule) to the types of property described below and located off the described premises.

Coverage under this section for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the same meaning set forth in the Coverage Form to which this endorsement applies.

The Utility Services limit of insurance, as shown in the schedule, is the only limit which applies to the coverage provided under this section, and is in addition to the Limit of Insurance stated in the declarations as applicable to the described premises.

Applicable off premises property:

- (1) Water Supply Services, meaning the following types of property supplying water to the described premises:
  - (a) pumping stations; and
  - (b) water mains.

(2) Communication Supply Services, meaning property supplying communications service, including telephone, radio, microwave or television services to the described premises, such as:

(a) communication transmission lines except overhead transmission lines, including fiber optic transmission lines;

(b) coaxial cables; and

(c) microwave radio relays, except satellites.

(3) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

(a) utility generating plants;

(b) switching stations;

(c) substations;

(d) transformers; and

(e) transmission lines, except overhead transmission lines.

3. ADDITIONAL COVERAGE EXTENSIONS are amended as follows:

Property in Transit is deleted in its entirety and is replaced by the following:

#### 1. PROPERTY IN TRANSIT

The most we will pay for loss or damage under this extension is the annual limit shown in the Schedule of this form. This extension applies only to your business personal property and similar property of others that you have on consignment to which this form applies.

a. We have extended the insurance provided by this Coverage Part to apply to your business personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be between points in the coverage territory and

(1) In the custody of a "carrier" or bailee for hire; or

(2) On vehicles you own, lease or operate.

b. Loss or damage must be caused by or result from one of the following causes of loss:

(1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.

(2) Vehicle 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.

(3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

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

4. EXCLUSIONS are amended as follows:

(a) The Utility Services Exclusion is deleted in its entirety and is replaced by the following:

#### Utility Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises except as provided in the Additional Coverage on this endorsement. Failure includes lack of sufficient capacity and reduction in supply. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

(b) Special exclusion 4.a.(1) is deleted in its entirety and is replaced by the following:

Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if failure occurs outside of a covered building, except as provided in the Additional Coverage on this endorsement. But if failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

#### THE FOLLOWING DEFINITIONS ARE ADDED AS RESPECTS THIS ENDORSEMENT:

1. "Carrier" means a person or organization who provides motor, rail or air transportation for compensation.

2. "Emergency" means imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to your customers, clients, residents, students, campers or users of your facility.

3. "Fine Arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, stained glass windows, and similar property of rarity, historical value or artistic merit.

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

5. "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.

6. "Operations" means your business activities occurring at the described premises and the tenantability of the described premises.

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

a. Begin

(1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or

(2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

"Period of restoration" 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" as defined in **CP0010**.

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

8. "Rental Value" means Business Income that consists of:

a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

b. Continuing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

9. "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."

10. "Suspension" means:

a. The shutdown or cessation of your business activities; or

b. That a part or all of the described premises is rendered untenable.

All other terms and conditions remain the same.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ELITE HOSPITALITY ENHANCEMENT**

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

Throughout this endorsement 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.

This endorsement modifies and is subject to the insurance provided under the following:

### **BUILDING AND PERSONAL PROPERTY COVERAGE FORM CAUSES OF LOSS - SPECIAL FORM**

The following is a summary of the limits of insurance, additional coverages and extensions provided by this endorsement. For complete details on specific coverages, consult the policy contract wording. Unless otherwise stated in specific coverage provision, no coinsurance applies under this form. These coverages apply separately to each of your premises described in the declarations. If no limit is shown for a coverage, then that coverage does not apply and all references to it are deleted from this endorsement.

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible. The deductible provisions do not preclude the imposition of any applicable coverage waiting period, as stated in specific coverage section of this form. Unless a separate deductible amount is shown in a specific coverage section of this form, we will not pay for loss or damage in any one occurrence under any coverage on this endorsement until the amount of loss or damage exceeds the lesser of the building or business personal property deductible applicable to the highest valued building on the schedule at the covered location at the time of loss. Deductibles do not reduce the amount of insurance.

The coverages in this Endorsement are primary. Any duplicate coverages found on other coverage forms and endorsements attached to this policy shall be excess. In case of any duplicate coverages, the highest Limit of Insurance will apply to that coverage. In no instance will limits be stacked or combined.

#### **I. AMENDMENTS TO COVERAGES UNDER THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM:**

**ANNUAL LIMITS OF INSURANCE**

**COVERAGE**

## II. AMENDMENTS TO COVERAGES UNDER THE CAUSES OF LOSS SPECIAL FORM:

### THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM IS AMENDED AS FOLLOWS:

#### SIGNS

- a. "Signs (other than signs attached to buildings)" is Deleted from Property Not Covered.
- b. In the Limits of Insurance section, the provision pertaining to signs attached to buildings does not apply. The limit applicable to each sign is the limit shown in the Schedule on this form in any one occurrence.
- c. Signs are subject to all applicable provisions of the Causes of Loss Form attached to this policy.

#### POLLUTANT CLEAN UP AND REMOVAL

Pollutant Clean Up and Removal is deleted and replaced by the following:

We will pay your expense to extract "pollutants" from land or water at the described premises, if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration, or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is the limit shown in the Schedule of this form for all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

The following are added to ADDITIONAL COVERAGES:

#### BUSINESS INCOME AND EXTRA EXPENSE

- a. Business Income means the:
  - (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
  - (2) Continuing normal operating expenses incurred, including payroll.
- b. 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.
- c. We will pay for:
  - (1) The actual loss of Business Income you sustain due to the necessary "suspension" of your business "operations" at the described premises during the "Period of Restoration". The "suspension" must be caused by direct physical loss of or damage to property, including personal property in the open (or in a vehicle) at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.
  - (2) The actual and necessary Extra Expense you incur during the "Period of Restoration" due to direct physical loss of or damage to property at the premises described in the Declarations, including personal property in the open (or in a vehicle), caused by or resulting from a Covered Cause of Loss.

(3) 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 72 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 Extra Expense will begin immediately after the time of that action and will end:

(1) 3 consecutive weeks after the time of that action; or

(2) When your Business Income coverage ends;

whichever is later.

d. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of operations caused by or resulting from any ordinance or law that:

(1) Regulates the construction or repair of any property;

(2) Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and

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

However, coverage is not extended under this coverage to include loss caused by or resulting from 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.

e. Extended Business Income

We will pay for the actual loss of Business Income you sustain during the seasonal term following the date the property is actually repaired, rebuilt or replaced, if that date is 30 days or less before the scheduled opening of the next seasonal term.

f. The most we will pay for loss of Business Income and Extra Expense in any one occurrence under this Coverage is \$50,000. No deductible applies to this coverage.

## REFRIGERATED GOODS SPOILAGE

We will pay for direct physical loss or damage to your business personal property and perishable personal property of others while in your care at or within 1000 feet of the described premises, caused by spoilage due to change in temperature or humidity resulting from:

(1) Mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus is at the described premises; and

(2) Contamination by refrigerant; or

(3) Complete or partial interruption of electrical power, either on or off the described premises due to conditions beyond your control.

Section A. Paragraph 5., Coverage Extensions of the Building and Personal Property Coverage Form does not apply.

Section B. Exclusions and Limitations of the Building and Personal Property Coverage Form is replaced by the following:

### (1) Exclusions

(a) Only the following exclusions contained in paragraph B.1. of the Special Causes of Loss form apply to this coverage:

(i) EARTH MOVEMENT;

(ii) GOVERNMENTAL ACTION;

(iii) NUCLEAR HAZARD;

(iv) WAR AND MILITARY ACTION; and

(v) WATER.

(b) The following exclusions are added:

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

(i) The disconnection of any refrigerating, cooling or humidity control system from the source of power;

(ii) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

(iii) The inability of an Electrical Utility Company or other power source to provide sufficient power due to lack of fuel or governmental order;

(iv) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand;

(v) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

The most we will pay for loss or damage during this policy term under this Additional Coverage is the limit shown in the Schedule of this form.

### **ACCOUNTS RECEIVABLE**

We have extended the insurance that applies to your business personal property to apply to your records of accounts receivable:

- (1) at a described premises or in or on a vehicle in transit between described premises; or
- (2) if the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss

We will pay for the loss while they are:

- (a) at a safe place away from your described premises; or
- (b) being taken to and returned from that place.

The amount of your account receivable loss includes:

- (1) all amounts due from customers that you are unable to collect;
- (2) interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage;
- (4) other reasonable expenses that you incur to reestablish your records of accounts receivable;

That result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable, including credit or charge card slips.

Accounts receivable will be determined as follows:

- (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of the loss or damage, the following method will be used:
  - (a) determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
  - (b) adjust that total by for any normal monthly fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance for that month.
- (2) The following will be deducted from the total amount of accounts receivable, however that total amount is established:

- (a) the amount of the accounts for which there is no loss or damage; and
- (b) the amount of the accounts that you are able to reestablish and collect; and
- (c) an amount for probable bad debts that you are normally unable to collect; and
- (d) all unearned interest and service charges.

- (3) You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

We will not pay for loss or damage caused by or resulting from any of the following:

- (1) alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding;
- (2) loss that requires any audit of records or any inventory computation to prove its factual existence;
- (3) loss resulting from bookkeeping, accounting or billing errors or omissions.

The most we will pay under this coverage is the limit shown in the Schedule of this form.

### **FIRE PROTECTION DEVICE RECHARGE**

We will pay to recharge or refill your fire protective devices that are permanently installed in buildings at described premises. This coverage only applies when such devices have been discharged while being used to combat a covered fire at the premises described in the declarations, which results in a covered loss. The most we will pay under this additional coverage is the limit shown in the Schedule of this form. No deductible applies to this Additional Coverage.

### **FIRE DEPARTMENT SERVICE CHARGE**

Fire Department Service Charge is deleted in its entirety and is replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the limit shown in the Schedule of this form for your liability for fire department service charges:

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

## LOSS DATA PREPARATION COSTS

We will pay up to the limit shown in the Schedule of this form for reasonable costs you incur in the preparing loss data required by the policy conditions of this policy after a covered property loss. This coverage does not include payments for any services rendered by a public adjuster.

## "MONEY" AND "SECURITIES"

We will pay for loss of "money" and "securities" used in your business while at the bank or savings institution, at the covered location or in transit between any of these places, resulting directly from:

- (1) "Theft", meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction.

We will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) 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.

All loss covered by one or more persons or involving a single act or series of related acts is considered one loss. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

Valuation Settlement: We will pay for:

Loss of "money" for not more than its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

- (1) At face value in the "money" issued by that country; or
- (2) In the United States of America's dollar equivalent on the day the loss was discovered.

Loss of "securities" for not more than their value at the close of business on the day the loss was discovered. We may, at our option:

- (1) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";

- (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the value of the "securities" at the close of business on the day the loss was discovered.

The most we will pay for loss during this policy term is:

- (1) The limit shown in the Schedule of this form for: On Premises "Money" and "Securities" while:
  - (a) In or on the covered location; or
  - (b) Within a bank or savings institution; and
- (2) The limit shown in the Schedule of this form for: Off Premises "Money" and "Securities" while anywhere else.

## CRIMINAL REWARD

We have extended the insurance provided by this endorsement for information leading to the arrest and conviction of persons responsible for crimes committed against the insured, when any covered loss is deemed suspicious by the police or fire department, and only when the person responsible is convicted of the crime.

The most we will pay under this extension is the annual limit shown in the Schedule of this form for criminal reward. No deductible applies to this Additional Coverage.

## FINE ARTS

We have extended the insurance that applies to your business personal property to apply to "Fine Arts".

Valuation will be determined as follows:

- (1) The value will be the least of:
  - (a) the market value of that property;
  - (b) the amount for which you are liable, if the property belongs to another;
  - (c) the cost of reasonably restoring that property to its condition immediately before a loss;
  - (d) the cost of replacing that property with substantially identical property; or
  - (e) the amount of insurance stated in this coverage extension.

The value of the property will be determined at the time of loss in the event of loss.

You must agree that:

- (1) Covered Property will be packed and unpacked by professional packers.
- (2) In the case of loss to any part or sets of pairs, we may:
  - (a) repair or replace any part to restore the pair or set to its value before the loss; or
  - (b) pay the difference between the value of the pair or set before and after the loss.

Property Not Covered means property while on exhibition at fair grounds or on the premises of any national or international exposition, or contraband or property in the course of illegal transportation or trade.

We will not pay for loss caused by or resulting from any of the following:

- (1) Delay, loss of use, loss of market or any other consequential loss;
- (2) Dishonest acts by you, your employees or authorized representatives; or anyone else with an interest in the property, or their employees or authorized representatives; or anyone entrusted with the property (except a carrier for hire). This exclusion applies whether or not such persons act alone or in collusion with other persons or whether or not such acts occur during the hours of employment.
- (3) Any repair, restoration or retouching of the covered property.
- (4) Wear and tear, any quality on the property that causes it to damage or destroy itself, pollution damage, gradual deterioration, or damage from insects, vermin or rodents. But if loss by a Covered Cause of Loss results, we will pay for that resulting loss.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form.

#### **EXHIBITION COVERAGE**

We have extended the insurance that applies to your business personal property or personal property of others in care, custody or control to apply only while such property is at an exhibition; held in temporary storage awaiting the setup of the exhibition or return to its destination following the exhibition; or in the due course of transit to or from the exhibition. In no event will coverage apply after the end of the policy period.

Valuation will be determined as follows:

- (1) The value will be the least of:
  - (a) the actual cash value of the property;
  - (b) the cost of reasonably restoring that property to its condition immediately before loss or damage;
  - (c) the cost of replacing that property with substantially identical property;
  - (d) if there is an agreed consigned value for property of others in your care, custody or control, the value of such property will be the lowest consigned value; or
  - (e) the amount stated in this coverage extension.

The value of the property will be determined at the time of loss in the event of loss.

Property Not Covered means:

- (1) Accounts, bills, currency, deeds, evidences of debt, "money", notes or "securities",
- (2) Property while in the mail;
- (3) Property while waterborne. However, we will cover property while aboard vessels on inland waterways when waterborne transportation is incidental to the land portion of the journey;
- (4) Import shipments:
  - (a) Until discharged from the import conveyance; or
  - (b) Until Ocean Marine insurance ceases;Whichever occurs last;
- (5) Export shipments:
  - (a) After placed on the outbound conveyance;
  - (b) When Ocean Marine insurance applies to the shipment;Whichever occurs first; or
- (6) Contraband, or property in the course of illegal transportation or trade.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form.

## PROCESSORS COVERAGE

We have extended the insurance that applies to your business personal property to apply to Covered Property that is owned by you or the property of others for which you are legally liable only while such property is in the care, custody or control of a processor or in due course of transit to or from a processor; for the purpose of performing work upon the property.

Valuation will be determined as follows:

- (1) The value will be the least of:
  - (a) the actual cash value of the property;
  - (b) the cost of reasonably restoring that property to its condition immediately before loss or damage;
  - (c) the cost of replacing that property with substantially identical property;
  - (d) the value of property that is unfinished at the time of loss will include the value of labor, materials or services furnished by the processor, if you have paid the processor for such labor, materials or services. However, the value of the property will not exceed the cost to replace such property; or
  - (e) the amount of insurance stated in this coverage extension.

The value of the property will be determined at the time of loss in the event of loss.

Property Not Covered means:

- (1) Accounts, bills, currency, deeds, evidences of debt, "money", notes or "securities",
- (2) Property at, or in transit to or from, a processor that you own, lease or operate;
- (3) Property while in the mail; or
- (4) Contraband, or property in the course of illegal transportation or trade.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form.

## EXHIBITION COVERAGE AND PROCESSORS COVERAGE - EXCLUSIONS

The following exclusions apply to **EXHIBITION COVERAGE** and **PROCESSORS COVERAGE**. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

- (1) Theft from any unattended vehicle unless at the time of loss its windows, doors and compartments were closed and locked and there are visible signs of forced entry. But this exclusion does not apply to property in the custody of a carrier for hire.
- (2) Delay, loss of use, loss or market or any other consequential loss.
- (3) Unexplained disappearance.
- (4) Shortage found upon taking inventory.
- (5) Dishonest or criminal acts committed by you, any of your partners, employees, directors, trustees or authorized representatives; a manager or a member if you are a limited liability company; anyone else with an interest in the property, or their employees or authorized representatives; or anyone else to whom the property is entrusted for any purpose. This exclusion applies whether or not such persons act alone or in collusion with other persons or such acts occur during the hours of employment.
- (6) Artificially generated current causing a short circuit or other electrical disturbance within an article covered under this Coverage Form. But, if artificially generated current, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form. This exclusion only applies to loss or damage to that article in which the disturbance occurs.
- (7) 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.
- (8) Unauthorized instructions to transfer property to any person or to any place.
- (9) Neglect of an insured to use all reasonable means to save or preserve property from further damage at or after the time of loss.
- (10) Wear and tear, depreciation; any quality in the property that causes it to damage or destroy itself, latent or hidden defect; gradual deterioration; pollution damage; breakdown of Covered Property; malfunction, or failure of Covered Property to operate; insects, vermin, rodents; corrosion, dust, dampness, extremes of temperature. But if a loss by a Covered Cause of Loss results, we will pay for the resulting loss.

(11) Processing or work upon the property. But if processing or work upon the property results in fire or explosion, we will pay for direct loss caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

(12) Improper packing or stowage, or rough handling.

### **ELECTRONIC DATA PROCESSING EQUIPMENT INCLUDING EXTRA EXPENSE, SOFTWARE AND TRANSIT**

The Additional Coverage for Electronic Data is deleted and replaced by the following:

We have extended the insurance that applies to your business personal property to apply to:

- (1) Equipment - meaning your electronic data processing, word processing and telecommunications equipment including their component parts;
- (2) Software - meaning Data, Programs and Media:
  - (a) Data is information that has been converted to a form usable in data or word processing equipment. Data includes computer programs.
  - (b) Media is the material on which data is recorded.
- (3) Extra Expense - means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:
  - (a) to avoid or minimize the suspension of your business and to continue your normal business operations:
    - (i) at the described premises; or
    - (ii) at replacement premises or at temporary locations, including: relocation expenses and costs to equip and operate the replacement or temporary locations;
  - (b) to minimize suspension of business if you cannot continue your normal business operations; or
  - (c) to repair or replace lost information on damaged valuable papers and records to the extent that it reduces the amount of loss that otherwise would have been payable under this Extra Expense Coverage.

We will pay up to the limit stated in the Schedule of this form of the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to:

- (1) electronic data processing equipment, word processing equipment, telecommunications equipment, or data and media, which you own, lease or is under your control and is at your described premises or in transit;
- (2) the building in which the property described in (1) above is located, provided the building is damaged to an extent which prevents access to the property;
- (3) the air conditioning system that specifically services your data or word processing operation;
- (4) the electrical or telecommunication system that specifically services your data or word processing operation, provided the damage to the system occurs within 1000 feet of the building housing your data or word processing operation.

Covered property does not include:

- (1) property you loan, rent or lease while it is away from your described premises;
- (2) data or media which cannot be replaced with other of the same kind or quality;
- (3) accounts, bills, evidences of debt, valuable papers, abstracts, records, deeds, manuscripts or other documents, unless converted to Data, and then only in that form.

Exclusions - The Causes of Loss Special Form is amended as follows:

- (1) The following exclusions are deleted as respects Electronic Data Processing Equipment Including Extra Expenses, Software and Transit: **2.a., 2.c., 2.d.(2), 2.d.(3), 2.d.(4), 2.d.(5), 2.d.(6), 2.d.(7)(a), 2.e., 2.l.**

(2) The following exclusions are added:

**2.n.** Any change in, or interruption of:

- (a) power supply; or
- (b) telecommunications services;

If the change originates more than 1000 feet away from the premises containing the covered property (equipment). But if loss or damage by fire, explosion or theft results, we will pay for the resulting loss.

In addition to the above, we will not pay for any Extra Expense you incur due to:

- (a) programming errors or incorrect machine instructions;
- (b) interference by strikers or other persons with repairs to damage property, or with resumption of normal business operations;

- (c) mechanical or machinery breakdown of any property not named in the Extra Expense coverage;
- (d) the suspension, lapse or cancellation of any lease, license or contract beyond the "period of restoration";
- (e) any other consequential loss.

Valuation will be determined as follows:

- (1) Equipment - we will adjust a loss to Equipment on the basis of replacement cost. The most we will pay is:
  - (a) the amount necessary to repair the equipment; or
  - (b) the amount necessary to replace the equipment with material of the same kind or quality; or
  - (c) the applicable limit of insurance;
 whichever is less.

**(2) Software**

- (a) Data (including Programs), when insured on a combined limit basis with Media on the schedule, will be the actual cost of replacing the Data. If it is not replaced or reproduced, we will pay the cost of the blank Media.
- (b) Media we will value Media at the cost to replace the Media with material of the same kind or quality.

If we notify you in writing after we receive your signed, sworn statement of loss, we may take all or part of the damaged property at a value that we will agree upon with you. If we choose, we may also repair the damaged property, or replace it with similar property.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form for Electronic Data Processing Equipment including Extra Expense, Software and Transit.

**EMPLOYEE DISHONESTY**

- (1) We will pay for direct loss of or damage to business personal property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
  - (a) Cause you to sustain loss or damage; and also

- (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
  - (i) Any employee; or
  - (ii) Any other person or organization.

**(2) We will not pay for loss or damage:**

- (a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons,
- (b) Or where the only proof of which as to its existence or amount is:
  - (i) An inventory computation; or
  - (ii) A profit and loss computation.
- (3) The most we will pay for loss or damage during this policy term is the limit shown in the Schedule of this form.
- (4) All loss or damage caused by one or more persons or involving a single act or series of related acts is considered one occurrence.
- (5) We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no limit of insurance cumulates from year to year or period to period.
- (6) This Additional Coverage does not apply to any employee immediately upon discovery by you or any of your partners, officers or directors not in collusion with the employee of any dishonest act committed by that employee before or after being hired by you.
- (7) We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.
- (8) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage provided:
  - (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

**(9)** The insurance under paragraph **(8)** above is part of, not in addition to, the amount of insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:

- (a)** This Additional Coverage as of its effective date; or
- (b)** The prior insurance had it remained in effect.

**(10)** Employee also includes any non-compensated natural person:

- (a)** Other than one who is fund solicitor, while performing services for you that are usual to the duties of an employee; or
- (b)** While acting as fund solicitor during fund raising campaigns.

### **FORGERY OR ALTERATION**

**(1)** We will pay for loss involving covered instruments resulting directly from the covered causes of loss as stated in this Additional Coverage:

**(a)** Covered Instruments: Checks, drafts, promissory notes or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (i)** made or drawn by or drawn upon you;
  - (ii)** made or drawn by one acting as your agent;
- or that are purported to have been so made or drawn.

**(b)** Covered Causes of Loss: Forgery or alteration of, on or in any covered instrument.

**(c)** Extension: Legal Expenses: If you are sued for refusing to pay a covered instrument on the basis that it has been forged or altered, and you have our written consent to defend the suit, we will pay for any reasonable legal expense that you incur and pay in that defense. The amount we will pay under this extension is in addition to the limit of insurance applicable to the Forgery Additional Coverage.

**(2)** The most we will pay for loss in any one occurrence is the limit shown in the Schedule of this form.

**(3)** We will not pay for loss resulting from any dishonest or criminal act committed by any one of your employees, directors or trustees:

- (a)** whether acting alone or in collusion with other persons; or

**(b)** while performing services for you or otherwise.

**(4)** Additional Conditions applicable to this Additional Coverage:

**(a)** We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

**(b)** You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

**(c)** We will cover loss you sustain anywhere in the world. This supersedes any other territorial definitions elsewhere in the policy.

**(d)** We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.

**(5)** An occurrence as respects this Additional Coverage means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

A \$500 deductible applies to this Additional Coverage.

### **CONTRACTUAL PENALTIES**

We will pay for contractual penalties imposed by written contract between you and your customer. These penalties must:

- (1)** Result from your failure to deliver your product on time according to contract terms;
- (2)** Result from direct physical loss or damage to Covered Property by a Covered Cause of Loss; and
- (3)** Have been paid by you to your customer.

The most we will pay under this coverage is the limit shown in the Schedule of this form.

### **ORDINANCE OR LAW COVERAGE**

The following replaces Increased Cost Of Construction in the Building and Personal Property Coverage Form and deletes the Ordinance or law exclusion in the Causes of Loss - Special Form:

**(1)** If a Covered Cause of Loss occurs to covered building property, we will pay:

**(a)** for loss in value for the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

- (i)** requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;

(ii) regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(iii) is in force at the time of loss;

(b) the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law;

(c) the increased cost to:

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

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

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

However:

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

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

Coverage under this endorsement applies only in response to 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 endorsement.

But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

If the building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law, we will not pay the full amount of loss otherwise payable under this coverage. Instead, we will pay a portion of such loss, meaning the portion of that the covered direct physical damage bears to the total physical damage. However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this coverage.

(2) (a) We will not pay the following under coverage in (1)(a), (b) or (c) above:

(i) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" (as defined in form CP 00 10) or due to the presence, growth, proliferation, spread or any activity of "fungus" (as defined in CP 00 10), wet or dry rot or bacteria; or

(ii) 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" (as defined in form CP 00 10), "fungus" (as defined in form CP 00 10), wet or dry rot or bacteria.

(b) We will not pay the increased coverage afforded by (1)(c) above:

(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.

(c) We will not pay for loss due to any ordinance or law that:

(i) you were required to comply with before the loss, even if the building was undamaged; and

(ii) you failed to comply with.

(3) When there is a loss in value of an undamaged portion of a building, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

(a) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced on the same or another premises, we will not pay more than the amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured;

(b) 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 actual cash value of the building at the time of loss.

Both of the above are also subject to the maximum limit applicable to all loss or damage combined in any one occurrence shown in paragraph (4) that follows.

(4) The most we will pay for the loss for Loss in Value of the Undamaged Portion of the Building is the limit shown in Schedule of this form. The most we will pay for the Cost to Demolish and the Increased Cost of Construction is the limit shown in the Schedule of this form.

The following loss payment provisions also apply:

(a) For demolition cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

(b) With respect to the increased cost of construction:

(i) We will not pay for the increased cost of construction until the property is actually repaired or replaced at the same or another premises and unless the repairs are made as soon as possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(ii) 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.

(iii) 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 coverage apply separately to each building to which this coverage applies.

#### DEBRIS REMOVAL

Paragraph a.(4) of Additional Coverages, Debris Removal, is deleted and replaced by the following;

(4) We will pay up to the additional amount shown in the Schedule of this form for debris removal, 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 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 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 may reach but never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus the limit for Debris Removal shown on the Schedule.

#### THE FOLLOWING COVERAGE EXTENSIONS ARE AMENDED AS FOLLOWS:

a. Newly Acquired or Constructed Property is deleted in its entirety and is replaced by the following:

#### NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

##### (1) Buildings

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

(a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations other than the described premises, intended for:

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

(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is the limit shown in the Schedule of this form 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:

(i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;

(ii) 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

(iii) 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 the annual limit shown in the Schedule of this form at each building.

(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(ii) 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) 30 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 values to us.

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

b. Personal Effects and Property of Others is deleted in its entirety and replaced by the following:

#### **PERSONAL EFFECTS AND PROPERTY OF OTHERS**

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal effects, including horses, owned by you, your officers, directors, partners or members, trustees or your employees while those personal effects or horses are in the insureds care. This extension does not apply to loss or damage by theft.

(2) Personal property of others, including horses, in your care, custody and control.

The most we will pay for loss or damage under this Extension is the annual limit shown in the Schedule of this form at each described premises. A different limit applies depending on whether property includes owned horses or horses in your care, custody, and control. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. We can settle all losses with you and make all payments to you at our option. This property is not covered if it is already insured elsewhere.

c. Valuable Papers and Records (Other Than Electronic Data) is deleted in its entirety and replaced by the following:

#### **Valuable Papers and Records (Other Than Electronic Data)**

You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this exclusion does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.

Under this Extension the most we will pay to replace or restore the lost information is the limit shown on the Schedule of this form at each described premises. Such amount is additional insurance. We will also pay the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. **Property Off Premises** - the last sentence is amended to read as follows:

The most we will pay under this extension is the limit shown in the Schedule of this form.

e. Outdoor Property is deleted in its entirety and replaced by the following:

#### **Outdoor Property**

The most we will pay for loss or damage under this extension to trees, shrubs and plants, including debris removal expense, is the limit shown in the Schedule of this form subject to the per item amount. For all other outdoor property, the most we will pay for loss or damage under this extension is the limit per occurrence shown in the Schedule of this form.

We have extended insurance provided by this Coverage Form to apply to your outdoor radio and television antennas (including satellite dishes), trees, limited to within 100 feet of buildings or blocking roadways, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) fire;
- (2) lightning;
- (3) explosion;
- (4) riot or civil commotion;
- (5) aircraft;
- (6) windstorm; or
- (7) hail.

#### **THE FOLLOWING IS ADDED TO COVERAGE EXTENSIONS**

##### **"EMERGENCY" VACATING EXPENSES**

The insurance provided by this Coverage Form is extended to apply to the reasonable expenses that you incur in the "emergency" vacating of the premises of your facility.

We will not pay any expenses under this extension arising out of:

- (1) A strike, bomb threat or false fire alarm, unless vacating is ordered by civil authority;
- (2) A planned vacating drill;
- (3) The vacating of one or more of your customers, clients, residents, students, campers or users of your facility that is due and confined to their individual medical condition; or
- (4) Any of the following to the extent these causes of loss are excluded in Section B. of this Coverage Form:
  - (a) Governmental action;
  - (b) Nuclear hazard; and
  - (c) War and military action.

No other exclusions in your policy apply to this extension.

No deductible applies to this Additional Coverage.

The most we will pay for "Emergency" Vacating Expenses during this policy term under this extension is the limit shown in the Schedule of this form.

#### **CREDIT CARD AND COUNTERFEIT MONEY**

1. We will pay up to:

- a. \$3,000 for credit card transactions if our insured, by law, is held liable for the acceptance of fraudulent charges for service or merchandise associated with the insured operation, by the credit card company.
- b. \$3,000 for counterfeit money if an insured accepts in good faith counterfeit United States or Canadian paper money.

2. We will not pay for loss if:

- a. The loss is caused by the dishonesty of the insured or employee; or
- b. The loss occurs from a person using a credit card with consent of the credit card owner.

No deductible applies to this Additional Coverage.

#### **PREMISES LIMITATION**

The premises limitation found anywhere in the Commercial Property Coverage Part is broadened from "within 100 feet" of the described premises to "within 500 feet" of the described premises.

#### **CONSEQUENTIAL DAMAGE**

You may extend the insurance that applies to Your Business Personal Property to cover the consequential damage to your undamaged personal property. Consequential damage means a part or parts of your product are physically lost or damaged by a Covered Cause of Loss, causing the part or parts that are not damaged to be unmarketable as a complete product.

The most we will pay under this Coverage Extension is the limit shown in the Schedule of this form.

#### **DEFERRED PAYMENTS**

You may extend the insurance that applies to Your Business Personal Property to cover direct physical loss to the following:

- (1) Business Personal Property which you have sold under an installment or deferred payment plan which is in the possession of the buyer. We will only pay for your remaining interest in the property.
- (2) Business Personal Property which is rented or leased to others.

We will acquire your financial interest in the property we pay for under this Coverage Extension, up to the amount of our payment.

The most we will pay under this Coverage Extension is the limit shown in the Schedule of this form.

## WORLDWIDE PERSONAL PROPERTY

You may extend the insurance that applies to Your Business Personal Property to apply while it is outside the territorial limits of this policy, for loss caused by or resulting from any Covered Cause of Loss. Worldwide Personal Property coverage does not apply to:

- (1) Property within the coverage territory of the United States of America (including its territories and possessions), Puerto Rico and Canada;
- (2) Business Personal Property rented to or leased to others;
- (3) Business Personal Property at Newly Acquired Locations; or
- (4) "Stock".

The most we will pay under this Coverage Extension is the limit shown in the Schedule of this form.

## RECREATIONAL PROPERTY REDEFINED

If this policy provides coverage for your building(s), or, if you are a tenant, you have an ownership interest in these specific items, AND when a limit is shown on the policy or a value is included on your statement of values, the following will be included as COVERED PROPERTY:

The following is added to Section A., Paragraph 1., Covered Property, Item a.:

1. Miscellaneous structures and outdoor fixtures including:

- (a) Tent platforms;
- (b) Pavilions and shelters;
- (c) Docks, piers, floats, beach and diving platforms and appurtenances;
- (d) Boat and canoe racks;
- (e) Athletic backstops, surfaces and enclosures;
- (f) Playground equipment;
- (g) Swimming pools;
- (h) Pumps, filters and metal smoke stacks;
- (i) Above ground transmission lines; and
- (j) Roadways, walks, patios and other paved surfaces.

1. When a limit is shown on the policy or a value is included on your statement of values, the following is added to COVERED PROPERTY, **BUSINESS PERSONAL PROPERTY**:

The following types of property:

- (a) Athletic and sports equipment, waterfront and pool equipment and supplies, and arts and crafts supplies;

- (b) Maintenance equipment and tools, office equipment and supplies, first aid and infirmary supplies, dry groceries, kitchen supplies and utensils and inventory from the insured's supply store;

- (c) Canoes, kayaks, windsurfers and boats under 21 feet in length, whether in or out of the water, and related equipment and outboard motors 30 horsepower and under;

- (d) Tents, beds and bedding and camping equipment;

- (e) Personal property that is owned by you in dwellings or living quarters furnished by you to staff members; and

- (f) All other personal property that is owned by you and used in your business.

Unless otherwise noted in this endorsement, the following limitation is deleted: covered business personal property or property of others limited to within 100 feet of the described premises. There is no limitation to distance from the described premises unless specifically stated in the above noted forms.

## 2. PROPERTY NOT COVERED

Item p. of Property Not Covered is deleted and replaced by the following:

p. Vehicles or self-propelled machines (including aircraft or watercraft) that:

- (1) Are licensed for use on public roads; or
- (2) Are operated principally away from described premises.

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (2) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (3) Watercraft under 21 feet in length;
- (4) Outboard motors under 30 horsepower; or
- (5) Trailers, but only to the extent provided for in the Coverage Extension For Non-Owned Detached Trailers.

## 3. VACANCY LOSS CONDITIONS

The entire Vacancy Provisions section of LOSS CONDITIONS is deleted and replaced by the following:

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage, we will:

- a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (1) Vandalism;
  - (2) Sprinkler leakage, unless you have protected the system against freezing;
  - (3) Building glass breakage;
  - (4) Water damage;
  - (5) Theft; or
  - (6) Attempted theft.
- b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

For occupancies that are not seasonal, the term building and the term vacant have the following meanings:

- a. When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- b. When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
  - (1) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
  - (2) Used by the building owner to conduct customary operations.

For seasonal operations, a building shall not be considered vacant if the contents have been removed to another building, if the contents removed were of a seasonal nature or if the building vacated is part of an ongoing seasonal operation.

Buildings under construction or renovation are not considered vacant.

**THE CAUSES OF LOSS - SPECIAL FORM IS AMENDED AS FOLLOWS:**

- 1. The following exclusion is amended

**PERSONAL PROPERTY IN THE OPEN**

Section **B.2.j.** - Rain, snow, ice or sleet to personal property in the open is deleted in its entirety and replaced by the following:

- j. We will pay for loss or damage to property in the open caused by rain, snow, ice or sleet. The most we will pay for this Additional Coverage is the limit shown in the Schedule of this form.

- 2. The following **ADDITIONAL COVERAGES** are added:

**LOCK REPLACEMENT**

You may extend the insurance provided by this Coverage Part to apply to the cost to repair or replace the door locks or tumblers of your described premises due to theft of your door keys. The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form. This is additional insurance and the coinsurance condition does not apply to this Additional Coverage. No deductible applies to this Additional Coverage.

**WATER BACK UP OF SEWERS AND DRAINS**

We will pay for loss or damage caused by or resulting from water that backs up from a sewer or drain. The most we will pay under this Coverage Extension is the limit shown in the Schedule of this form in any one covered cause of loss.

**UTILITY SERVICES - DIRECT DAMAGE**

We will pay for loss or damage to Covered Property described in the Schedule, caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage caused by a Covered Cause of Loss (as indicated in the Schedule) to the types of property described below and located off the described premises.

Coverage under this section for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the same meaning set forth in the Coverage Form to which this endorsement applies.

The Utility Services limit of insurance, as shown in the schedule, is the only limit which applies to the coverage provided under this section, and is in addition to the Limit of Insurance stated in the declarations as applicable to the described premises.

Applicable off premises property:

- (1) Water Supply Services, meaning the following types of property supplying water to the described premises:
  - (a) pumping stations; and
  - (b) water mains.

(2) Communication Supply Services, meaning property supplying communications service, including telephone, radio, microwave or television services to the described premises, such as:

(a) communication transmission lines except overhead transmission lines, including fiber optic transmission lines;

(b) coaxial cables; and

(c) microwave radio relays, except satellites.

(3) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

(a) utility generating plants;

(b) switching stations;

(c) substations;

(d) transformers; and

(e) transmission lines, except overhead transmission lines.

3. ADDITIONAL COVERAGE EXTENSIONS are amended as follows:

Property in Transit is deleted in its entirety and is replaced by the following:

#### 1. PROPERTY IN TRANSIT

The most we will pay for loss or damage under this extension is the annual limit shown in the Schedule of this form. This extension applies only to your business personal property and similar property of others that you have on consignment to which this form applies.

a. We have extended the insurance provided by this Coverage Part to apply to your business personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be between points in the coverage territory and

(1) In the custody of a "carrier" or bailee for hire; or

(2) On vehicles you own, lease or operate.

b. Loss or damage must be caused by or result from one of the following causes of loss:

(1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.

(2) Vehicle 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.

(3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

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

4. EXCLUSIONS are amended as follows:

(a) The Utility Services Exclusion is deleted in its entirety and is replaced by the following:

#### Utility Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises except as provided in the Additional Coverage on this endorsement. Failure includes lack of sufficient capacity and reduction in supply. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

(b) Special exclusion 4.a.(1) is deleted in its entirety and is replaced by the following:

Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if failure occurs outside of a covered building, except as provided in the Additional Coverage on this endorsement. But if failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

#### THE FOLLOWING DEFINITIONS ARE ADDED AS RESPECTS THIS ENDORSEMENT:

1. "Carrier" means a person or organization who provides motor, rail or air transportation for compensation.

2. "Emergency" means imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to your customers, clients, residents, students, campers or users of your facility.

3. "Fine Arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, stained glass windows, and similar property of rarity, historical value or artistic merit.

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

5. "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.

6. "Operations" means your business activities occurring at the described premises and the tenantability of the described premises.

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

a. Begin

(1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or

(2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

"Period of restoration" 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" as defined in **CP0010**.

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

8. "Rental Value" means Business Income that consists of:

a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

b. Continuing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

9. "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."

10. "Suspension" means:

a. The shutdown or cessation of your business activities; or

b. That a part or all of the described premises is rendered untenable.

All other terms and conditions remain the same.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAST & SHOOT ENHANCEMENT**

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

Throughout this endorsement 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.

This endorsement modifies and is subject to the insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM**

The following is a summary of the limits of insurance, additional coverages and extensions provided by this endorsement. For complete details on specific coverages, consult the policy contract wording. Unless otherwise stated in specific coverage provision, no coinsurance applies under this form. These coverages apply separately to each of your premises described in the declarations. If no limit is shown for a coverage, then that coverage does not apply and all references to it are deleted from this endorsement.

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible. The deductible provisions do not preclude the imposition of any applicable coverage waiting period, as stated in specific coverage section of this form. Unless a separate deductible amount is shown in a specific coverage section of this form, we will not pay for loss or damage in any one occurrence under any coverage on this endorsement until the amount of loss or damage exceeds the lesser of the building or business personal property deductible applicable to the highest valued building on the schedule at the covered location at the time of loss. Deductibles do not reduce the amount of insurance.

The coverages in this Endorsement are primary. Any duplicate coverages found on other coverage forms and endorsements attached to this policy shall be excess. In case of any duplicate coverages, the highest Limit of Insurance will apply to that coverage. In no instance will limits be stacked or combined.

**I. AMENDMENTS TO COVERAGES UNDER THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM:**

**ANNUAL LIMITS OF INSURANCE**

**COVERAGE**

## II. AMENDMENTS TO COVERAGES UNDER THE CAUSES OF LOSS SPECIAL FORM:

### THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM IS AMENDED AS FOLLOWS:

#### SIGNS

- a. "Signs (other than signs attached to buildings)" is Deleted from Property Not Covered.
- b. In the Limits of Insurance section, the provision pertaining to signs attached to buildings does not apply. The limit applicable to each sign is the limit shown in the Schedule on this form in any one occurrence.
- c. Signs are subject to all applicable provisions of the Causes of Loss Form attached to this policy.

#### POLLUTANT CLEAN UP AND REMOVAL

Pollutant Clean Up and Removal is deleted and replaced by the following:

We will pay your expense to extract "pollutants" from land or water at the described premises, if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration, or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is the limit shown in the Schedule of this form for all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

The following are added to ADDITIONAL COVERAGES:

#### BUSINESS INCOME AND EXTRA EXPENSE

- a. Business Income means the:
  - (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
  - (2) Continuing normal operating expenses incurred, including payroll.
- b. 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.
- c. We will pay for:
  - (1) The actual loss of Business Income you sustain due to the necessary "suspension" of your business "operations" at the described premises during the "Period of Restoration". The "suspension" must be caused by direct physical loss of or damage to property, including personal property in the open (or in a vehicle) at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.
  - (2) The actual and necessary Extra Expense you incur during the "Period of Restoration" due to direct physical loss of or damage to property at the premises described in the Declarations, including personal property in the open (or in a vehicle), caused by or resulting from a Covered Cause of Loss.

(3) 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 72 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 Extra Expense will begin immediately after the time of that action and will end:

(1) 3 consecutive weeks after the time of that action; or

(2) When your Business Income coverage ends;

whichever is later.

d. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of operations caused by or resulting from any ordinance or law that:

(1) Regulates the construction or repair of any property;

(2) Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and

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

However, coverage is not extended under this coverage to include loss caused by or resulting from 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.

e. Extended Business Income

We will pay for the actual loss of Business Income you sustain during the seasonal term following the date the property is actually repaired, rebuilt or replaced, if that date is 30 days or less before the scheduled opening of the next seasonal term.

f. The most we will pay for loss of Business Income and Extra Expense in any one occurrence under this Coverage is \$10,000. No deductible applies to this coverage.

## REFRIGERATED GOODS SPOILAGE

We will pay for direct physical loss or damage to your business personal property and perishable personal property of others while in your care at or within 1000 feet of the described premises, caused by spoilage due to change in temperature or humidity resulting from:

(1) Mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus is at the described premises; and

(2) Contamination by refrigerant; or

(3) Complete or partial interruption of electrical power, either on or off the described premises due to conditions beyond your control.

Section A. Paragraph 5., Coverage Extensions of the Building and Personal Property Coverage Form does not apply.

Section B. Exclusions and Limitations of the Building and Personal Property Coverage Form is replaced by the following:

### (1) Exclusions

(a) Only the following exclusions contained in paragraph B.1. of the Special Causes of Loss form apply to this coverage:

(i) EARTH MOVEMENT;

(ii) GOVERNMENTAL ACTION;

(iii) NUCLEAR HAZARD;

(iv) WAR AND MILITARY ACTION; and

(v) WATER.

(b) The following exclusions are added:

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

(i) The disconnection of any refrigerating, cooling or humidity control system from the source of power;

(ii) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

(iii) The inability of an Electrical Utility Company or other power source to provide sufficient power due to lack of fuel or governmental order;

(iv) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand;

(v) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

The most we will pay for loss or damage during this policy term under this Additional Coverage is the limit shown in the Schedule of this form.

### **ACCOUNTS RECEIVABLE**

We have extended the insurance that applies to your business personal property to apply to your records of accounts receivable:

- (1) at a described premises or in or on a vehicle in transit between described premises; or
- (2) if the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss

We will pay for the loss while they are:

- (a) at a safe place away from your described premises; or
- (b) being taken to and returned from that place.

The amount of your account receivable loss includes:

- (1) all amounts due from customers that you are unable to collect;
- (2) interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage;
- (4) other reasonable expenses that you incur to reestablish your records of accounts receivable;

That result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable, including credit or charge card slips.

Accounts receivable will be determined as follows:

- (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of the loss or damage, the following method will be used:
  - (a) determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
  - (b) adjust that total by for any normal monthly fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance for that month.
- (2) The following will be deducted from the total amount of accounts receivable, however that total amount is established:

- (a) the amount of the accounts for which there is no loss or damage; and
- (b) the amount of the accounts that you are able to reestablish and collect; and
- (c) an amount for probable bad debts that you are normally unable to collect; and
- (d) all unearned interest and service charges.

- (3) You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

We will not pay for loss or damage caused by or resulting from any of the following:

- (1) alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding;
- (2) loss that requires any audit of records or any inventory computation to prove its factual existence;
- (3) loss resulting from bookkeeping, accounting or billing errors or omissions.

The most we will pay under this coverage is the limit shown in the Schedule of this form.

### **FIRE PROTECTION DEVICE RECHARGE**

We will pay to recharge or refill your fire protective devices that are permanently installed in buildings at described premises. This coverage only applies when such devices have been discharged while being used to combat a covered fire at the premises described in the declarations, which results in a covered loss. The most we will pay under this additional coverage is the limit shown in the Schedule of this form. No deductible applies to this Additional Coverage.

### **FIRE DEPARTMENT SERVICE CHARGE**

Fire Department Service Charge is deleted in its entirety and is replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the limit shown in the Schedule of this form for your liability for fire department service charges:

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

## **LOSS DATA PREPARATION COSTS**

We will pay up to the limit shown in the Schedule of this form for reasonable costs you incur in the preparing loss data required by the policy conditions of this policy after a covered property loss. This coverage does not include payments for any services rendered by a public adjuster.

## **"MONEY" AND "SECURITIES"**

We will pay for loss of "money" and "securities" used in your business while at the bank or savings institution, at the covered location or in transit between any of these places, resulting directly from:

- (1) "Theft", meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction.

We will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) 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.

All loss covered by one or more persons or involving a single act or series of related acts is considered one loss. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

Valuation Settlement: We will pay for:

Loss of "money" for not more than its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

- (1) At face value in the "money" issued by that country; or
- (2) In the United States of America's dollar equivalent on the day the loss was discovered.

Loss of "securities" for not more than their value at the close of business on the day the loss was discovered. We may, at our option:

- (1) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";

- (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the value of the "securities" at the close of business on the day the loss was discovered.

The most we will pay for loss during this policy term is:

- (1) The limit shown in the Schedule of this form for: On Premises "Money" and "Securities" while:
  - (a) In or on the covered location; or
  - (b) Within a bank or savings institution; and
- (2) The limit shown in the Schedule of this form for: Off Premises "Money" and "Securities" while anywhere else.

## **CRIMINAL REWARD**

We have extended the insurance provided by this endorsement for information leading to the arrest and conviction of persons responsible for crimes committed against the insured, when any covered loss is deemed suspicious by the police or fire department, and only when the person responsible is convicted of the crime.

The most we will pay under this extension is the annual limit shown in the Schedule of this form for criminal reward. No deductible applies to this Additional Coverage.

## **FINE ARTS**

We have extended the insurance that applies to your business personal property to apply to "Fine Arts".

Valuation will be determined as follows:

- (1) The value will be the least of:
  - (a) the market value of that property;
  - (b) the amount for which you are liable, if the property belongs to another;
  - (c) the cost of reasonably restoring that property to its condition immediately before a loss;
  - (d) the cost of replacing that property with substantially identical property; or
  - (e) the amount of insurance stated in this coverage extension.

The value of the property will be determined at the time of loss in the event of loss.

You must agree that:

- (1) Covered Property will be packed and unpacked by professional packers.
- (2) In the case of loss to any part or sets of pairs, we may:
  - (a) repair or replace any part to restore the pair or set to its value before the loss; or
  - (b) pay the difference between the value of the pair or set before and after the loss.

Property Not Covered means property while on exhibition at fair grounds or on the premises of any national or international exposition, or contraband or property in the course of illegal transportation or trade.

We will not pay for loss caused by or resulting from any of the following:

- (1) Delay, loss of use, loss of market or any other consequential loss;
- (2) Dishonest acts by you, your employees or authorized representatives; or anyone else with an interest in the property, or their employees or authorized representatives; or anyone entrusted with the property (except a carrier for hire). This exclusion applies whether or not such persons act alone or in collusion with other persons or whether or not such acts occur during the hours of employment.
- (3) Any repair, restoration or retouching of the covered property.
- (4) Wear and tear, any quality on the property that causes it to damage or destroy itself, pollution damage, gradual deterioration, or damage from insects, vermin or rodents. But if loss by a Covered Cause of Loss results, we will pay for that resulting loss.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form.

#### **PROCESSORS COVERAGE**

We have extended the insurance that applies to your business personal property to apply to Covered Property that is owned by you or the property of others for which you are legally liable only while such property is in the care, custody or control of a processor or in due course of transit to or from a processor; for the purpose of performing work upon the property.

Valuation will be determined as follows:

- (1) The value will be the least of:
  - (a) the actual cash value of the property;
  - (b) the cost of reasonably restoring that property to its condition immediately before loss or damage;
  - (c) the cost of replacing that property with substantially identical property;
  - (d) the value of property that is unfinished at the time of loss will include the value of labor, materials or services furnished by the processor, if you have paid the processor for such labor, materials or services. However, the value of the property will not exceed the cost to replace such property; or
  - (e) the amount of insurance stated in this coverage extension.

The value of the property will be determined at the time of loss in the event of loss.

Property Not Covered means:

- (1) Accounts, bills, currency, deeds, evidences of debt, "money", notes or "securities",
- (2) Property at, or in transit to or from, a processor that you own, lease or operate;
- (3) Property while in the mail; or
- (4) Contraband, or property in the course of illegal transportation or trade.

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

- (1) Theft from any unattended vehicle unless at the time of loss its windows, doors and compartments were closed and locked and there are visible signs of forced entry. But this exclusion does not apply to property in the custody of a carrier for hire.
- (2) Delay, loss of use, loss or market or any other consequential loss.
- (3) Unexplained disappearance.
- (4) Shortage found upon taking inventory.

- (5) Dishonest or criminal acts committed by you, any of your partners, employees, directors, trustees or authorized representatives; a manager or a member if you are a limited liability company; anyone else with an interest in the property, or their employees or authorized representatives; or anyone else to whom the property is entrusted for any purpose. This exclusion applies whether or not such persons act alone or in collusion with other persons or such acts occur during the hours of employment.
- (6) Artificially generated current causing a short circuit or other electrical disturbance within an article covered under this Coverage Form. But, if artificially generated current, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form. This exclusion only applies to loss or damage to that article in which the disturbance occurs.
- (7) 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.
- (8) Unauthorized instructions to transfer property to any person or to any place.
- (9) Neglect of an insured to use all reasonable means to save or preserve property from further damage at or after the time of loss.
- (10) Wear and tear, depreciation; any quality in the property that causes it to damage or destroy itself, latent or hidden defect; gradual deterioration; pollution damage; breakdown of Covered Property; malfunction, or failure of Covered Property to operate; insects, vermin, rodents; corrosion, dust, dampness, extremes of temperature. But if a loss by a Covered Cause of Loss results, we will pay for the resulting loss.
- (11) Processing or work upon the property. But if processing or work upon the property results in fire or explosion, we will pay for direct loss caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.
- (12) Improper packing or stowage, or rough handling.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form.

## **EMPLOYEE DISHONESTY**

- (1) We will pay for direct loss of or damage to business personal property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
  - (a) Cause you to sustain loss or damage; and also
  - (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
    - (i) Any employee; or
    - (ii) Any other person or organization.
- (2) We will not pay for loss or damage:
  - (a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons,
  - (b) Or where the only proof of which as to its existence or amount is:
    - (i) An inventory computation; or
    - (ii) A profit and loss computation.
- (3) The most we will pay for loss or damage during this policy term is the limit shown in the Schedule of this form.
- (4) All loss or damage caused by one or more persons or involving a single act or series of related acts is considered one occurrence.
- (5) We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no limit of insurance cumulates from year to year or period to period.
- (6) This Additional Coverage does not apply to any employee immediately upon discovery by you or any of your partners, officers or directors not in collusion with the employee of any dishonest act committed by that employee before or after being hired by you.
- (7) We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.

**(8)** If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage provided:

**(a)** This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and

**(b)** The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

**(9)** The insurance under paragraph **(8)** above is part of, not in addition to, the amount of insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:

**(a)** This Additional Coverage as of its effective date; or

**(b)** The prior insurance had it remained in effect.

**(10)** Employee also includes any non-compensated natural person:

**(a)** Other than one who is fund solicitor, while performing services for you that are usual to the duties of an employee; or

**(b)** While acting as fund solicitor during fund raising campaigns.

#### **FORGERY OR ALTERATION**

**(1)** We will pay for loss involving covered instruments resulting directly from the covered causes of loss as stated in this Additional Coverage:

**(a)** Covered Instruments: Checks, drafts, promissory notes or similar written promises, orders or directions to pay a sum certain in "money" that are:

**(i)** made or drawn by or drawn upon you;

**(ii)** made or drawn by one acting as your agent;

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

**(b)** Covered Causes of Loss: Forgery or alteration of, on or in any covered instrument.

**(c)** Extension: Legal Expenses: If you are sued for refusing to pay a covered instrument on the basis that it has been forged or altered, and you have our written consent to defend the suit, we will pay for any reasonable legal expense that you incur and pay in that defense. The amount we will pay under this extension is in addition to the limit of insurance applicable to the Forgery Additional Coverage.

**(2)** The most we will pay for loss in any one occurrence is the limit shown in the Schedule of this form.

**(3)** We will not pay for loss resulting from any dishonest or criminal act committed by any one of your employees, directors or trustees:

**(a)** whether acting alone or in collusion with other persons; or

**(b)** while performing services for you or otherwise.

**(4)** Additional Conditions applicable to this Additional Coverage:

**(a)** We will treat mechanically reproduce facsimile signatures the same as handwritten signatures.

**(b)** You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

**(c)** We will cover loss you sustain anywhere in the world. This supersedes any other territorial definitions elsewhere in the policy.

**(d)** We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.

**(5)** An occurrence as respects this Additional Coverage means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

A \$500 deductible applies to this Additional Coverage.

#### **CONTRACTUAL PENALTIES**

We will pay for contractual penalties imposed by written contract between you and your customer. These penalties must:

- (1) Result from your failure to deliver your product on time according to contract terms;
- (2) Result from direct physical loss or damage to Covered Property by a Covered Cause of Loss; and
- (3) Have been paid by you to your customer.

The most we will pay under this coverage is the limit shown in the Schedule of this form.

### ORDINANCE OR LAW COVERAGE

The following replaces Increased Cost Of Construction in the Building and Personal Property Coverage Form and deletes the Ordinance or law exclusion in the Causes of Loss - Special Form:

(1) If a Covered Cause of Loss occurs to covered building property, we will pay:

(a) for loss in value for the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

(i) requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;

(ii) regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(iii) is in force at the time of loss;

(b) the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law;

(c) the increased cost to:

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

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

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

However:

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

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

Coverage under this endorsement applies only in response to 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 endorsement.

But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

If the building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law, we will not pay the full amount of loss otherwise payable under this coverage. Instead, we will pay a portion of such loss, meaning the portion of that the covered direct physical damage bears to the total physical damage. However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this coverage.

(2) (a) We will not pay the following under coverage in (1)(a), (b) or (c) above:

(i) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" (as defined in form **CP 00 10**) or due to the presence, growth, proliferation, spread or any activity of "fungus" (as defined in **CP 00 10**), wet or dry rot or bacteria; or

(ii) 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" (as defined in form **CP 00 10**), "fungus" (as defined in form **CP 00 10**), wet or dry rot or bacteria.

(b) We will not pay the increased coverage afforded by (1)(c) above:

(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.
- (c) We will not pay for loss due to any ordinance or law that:
  - (i) you were required to comply with before the loss, even if the building was undamaged; and
  - (ii) you failed to comply with.
- (3) When there is a loss in value of an undamaged portion of a building, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - (a) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced on the same or another premises, we will not pay more than the amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured;
  - (b) 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 actual cash value of the building at the time of loss.

Both of the above are also subject to the maximum limit applicable to all loss or damage combined in any one occurrence shown in paragraph (4) that follows.

- (4) The most we will pay for the loss for Loss in Value of the Undamaged Portion of the Building is the limit shown in Schedule of this form. The most we will pay for the Cost to Demolish and the Increased Cost of Construction is the limit shown in the Schedule of this form.

The following loss payment provisions also apply:

- (a) For demolition cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (b) With respect to the increased cost of construction:

- (i) We will not pay for the increased cost of construction until the property is actually repaired or replaced at the same or another premises and unless the repairs are made as soon as possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (ii) 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.
- (iii) 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 coverage apply separately to each building to which this coverage applies.

#### DEBRIS REMOVAL

Paragraph a.(4) of Additional Coverages, Debris Removal, is deleted and replaced by the following;

- (4) We will pay up to the additional amount shown in the Schedule of this form for debris removal, 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 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 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 may reach but never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus the limit for Debris Removal shown on the Schedule.

**THE FOLLOWING COVERAGE EXTENSIONS ARE AMENDED AS FOLLOWS:**

- a. Newly Acquired or Constructed Property is deleted in its entirety and is replaced by the following:

**NEWLY ACQUIRED OR CONSTRUCTED PROPERTY**

**(1) Buildings**

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

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

The most we will pay for loss or damage under this Extension is the limit shown in the Schedule of this form 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:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (ii) 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
  - (iii) 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 the annual limit shown in the Schedule of this form at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) 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) 30 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 values to us.

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

- b. Personal Effects and Property of Others is deleted in its entirety and replaced by the following:

**PERSONAL EFFECTS AND PROPERTY OF OTHERS**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects, including horses, owned by you, your officers, directors, partners or members, trustees or your employees while those personal effects or horses are in the insureds care. This extension does not apply to loss or damage by theft.
- (2) Personal property of others, including horses, in your care, custody and control.

The most we will pay for loss or damage under this Extension is the annual limit shown in the Schedule of this form 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. We can settle all losses with you and make all payments to you at our option. This property is not covered if it is already insured elsewhere.

- c. Valuable Papers and Records (Other Than Electronic Data) is deleted in its entirety and replaced by the following:

**Valuable Papers and Records (Other Than Electronic Data)**

We have extended insurance provided by this Coverage Form to apply to your outdoor radio and television antennas (including satellite dishes), trees, limited to within 100 feet of buildings or blocking roadways, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

Under this Extension the most we will pay to replace or restore the lost information is the limit shown on the Schedule of this form at each described premises. Such amount is additional insurance. We will also pay the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**d. Property Off Premises** - the last sentence is amended to read as follows:

The most we will pay under this extension is the limit shown in the Schedule of this form.

**e. Outdoor Property** is deleted in its entirety and replaced by the following:

**Outdoor Property**

The most we will pay for loss or damage under this extension to trees, shrubs and plants, including debris removal expense, is the limit shown in the Schedule of this form subject to the per item amount. For all other outdoor property, the most we will pay for loss or damage under this extension is the limit per occurrence shown in the Schedule of this form.

You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this exclusion does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.

- (1) fire;
- (2) lightning;
- (3) explosion;
- (4) riot or civil commotion;
- (5) aircraft;

- (6) windstorm; or
- (7) hail.

**THE FOLLOWING IS ADDED TO COVERAGE EXTENSIONS**

**"EMERGENCY" VACATING EXPENSES**

The insurance provided by this Coverage Form is extended to apply to the reasonable expenses that you incur in the "emergency" vacating of the premises of your facility.

We will not pay any expenses under this extension arising out of:

- (1) A strike, bomb threat or false fire alarm, unless vacating is ordered by civil authority;
- (2) A planned vacating drill;
- (3) The vacating of one or more of your customers, clients, residents, students, campers or users of your facility that is due and confined to their individual medical condition; or
- (4) Any of the following to the extent these causes of loss are excluded in Section B. of this Coverage Form:
  - (a) Governmental action;
  - (b) Nuclear hazard; and
  - (c) War and military action.

No other exclusions in your policy apply to this extension.

No deductible applies to this Additional Coverage.

The most we will pay for "Emergency" Vacating Expenses during this policy term under this extension is the limit shown in the Schedule of this form.

**CREDIT CARD AND COUNTERFEIT MONEY**

- 1. We will pay up to:
  - a. \$1,500 for credit card transactions if our insured, by law, is held liable for the acceptance of fraudulent charges for service or merchandise associated with the insured operation, by the credit card company.
  - b. \$1,500 for counterfeit money if an insured accepts in good faith counterfeit United States or Canadian paper money.
- 2. We will not pay for loss if:
  - a. The loss is caused by the dishonesty of the insured or employee; or
  - b. The loss occurs from a person using a credit card with consent of the credit card owner.

No deductible applies to this Additional Coverage.

## PREMISES LIMITATION

The premises limitation found anywhere in the Commercial Property Coverage Part is broadened from "within 100 feet" of the described premises to "within 500 feet" of the described premises.

## CONSEQUENTIAL DAMAGE

You may extend the insurance that applies to Your Business Personal Property to cover the consequential damage to your undamaged personal property. Consequential damage means a part or parts of your product are physically lost or damaged by a Covered Cause of Loss, causing the part or parts that are not damaged to be unmarketable as a complete product.

The most we will pay under this Coverage Extension is the limit shown in the Schedule of this form.

## WORLDWIDE PERSONAL PROPERTY

You may extend the insurance that applies to Your Business Personal Property to apply while it is outside the territorial limits of this policy, for loss caused by or resulting from any Covered Cause of Loss. Worldwide Personal Property coverage does not apply to:

- (1) Property within the coverage territory of the United States of America (including its territories and possessions), Puerto Rico and Canada;
- (2) Business Personal Property rented to or leased to others;
- (3) Business Personal Property at Newly Acquired Locations; or
- (4) "Stock".

The most we will pay under this Coverage Extension is the limit shown in the Schedule of this form.

## RECREATIONAL PROPERTY REDEFINED

If this policy provides coverage for your building(s), or, if you are a tenant, you have an ownership interest in these specific items, AND when a limit is shown on the policy or a value is included on your statement of values, the following will be included as COVERED PROPERTY:

The following is added to Section **A.**, Paragraph **1.**, Covered Property, Item **a.**:

1. Miscellaneous structures and outdoor fixtures including:
  - (a) Tent platforms;
  - (b) Pavilions and shelters;
  - (c) Docks, piers, floats, beach and diving platforms and appurtenances;

- (d) Boat and canoe racks;
- (e) Athletic backstops, surfaces and enclosures;
- (f) Playground equipment;
- (g) Swimming pools;
- (h) Pumps, filters and metal smoke stacks;
- (i) Above ground transmission lines; and
- (j) Roadways, walks, patios and other paved surfaces.

1. When a limit is shown on the policy or a value is included on your statement of values, the following is added to COVERED PROPERTY, **BUSINESS PERSONAL PROPERTY**:

The following types of property:

- (a) Athletic and sports equipment, waterfront and pool equipment and supplies, and arts and crafts supplies;
- (b) Maintenance equipment and tools, office equipment and supplies, first aid and infirmary supplies, dry groceries, kitchen supplies and utensils and inventory from the insured's supply store;
- (c) Canoes, kayaks, windsurfers and boats under 21 feet in length, whether in or out of the water, and related equipment and outboard motors 30 horsepower and under;
- (d) Tents, beds and bedding and camping equipment;
- (e) Personal property that is owned by you in dwellings or living quarters furnished by you to staff members; and
- (f) All other personal property that is owned by you and used in your business.

Unless otherwise noted in this endorsement, the following limitation is deleted: covered business personal property or property of others limited to within 100 feet of the described premises. There is no limitation to distance from the described premises unless specifically stated in the above noted forms.

## 2. PROPERTY NOT COVERED

Item **p.** of Property Not Covered is deleted and replaced by the following:

- p.** Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from described premises.

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (2) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (3) Watercraft under 21 feet in length;
- (4) Outboard motors under 30 horsepower; or
- (5) Trailers, but only to the extent provided for in the Coverage Extension For Non-Owned Detached Trailers.

### 3. VACANCY LOSS CONDITIONS

The entire Vacancy Provisions section of LOSS CONDITIONS is deleted and replaced by the following:

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage, we will:

- a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (1) Vandalism;
  - (2) Sprinkler leakage, unless you have protected the system against freezing;
  - (3) Building glass breakage;
  - (4) Water damage;
  - (5) Theft; or
  - (6) Attempted theft.
- b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

For occupancies that are not seasonal, the term building and the term vacant have the following meanings:

- a. When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- b. When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
  - (1) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
  - (2) Used by the building owner to conduct customary operations.

For seasonal operations, a building shall not be considered vacant if the contents have been removed to another building, if the contents removed were of a seasonal nature or if the building vacated is part of an ongoing seasonal operation.

Buildings under construction or renovation are not considered vacant.

### THE CAUSES OF LOSS - SPECIAL FORM IS AMENDED AS FOLLOWS:

1. The following exclusion is amended

#### PERSONAL PROPERTY IN THE OPEN

Section **B.2.j.** - Rain, snow, ice or sleet to personal property in the open is deleted in its entirety and replaced by the following:

- j. We will pay for loss or damage to property in the open caused by rain, snow, ice or sleet. The most we will pay for this Additional Coverage is the limit shown in the Schedule of this form.

2. The following ADDITIONAL COVERAGES are added:

#### LOCK REPLACEMENT

You may extend the insurance provided by this Coverage Part to apply to the cost to repair or replace the door locks or tumblers of your described premises due to theft of your door keys. The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form. This is additional insurance and the coinsurance condition does not apply to this Additional Coverage. No deductible applies to this Additional Coverage.

#### WATER BACK UP OF SEWERS AND DRAINS

We will pay for loss or damage caused by or resulting from water that backs up from a sewer or drain. The most we will pay under this Coverage Extension is the limit shown in the Schedule of this form in any one covered cause of loss.

#### UTILITY SERVICES - DIRECT DAMAGE

We will pay for loss or damage to Covered Property described in the Schedule, caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage caused by a Covered Cause of Loss (as indicated in the Schedule) to the types of property described below and located off the described premises.

Coverage under this section for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the same meaning set forth in the Coverage Form to which this endorsement applies.

The Utility Services limit of insurance, as shown in the schedule, is the only limit which applies to the coverage provided under this section, and is in addition to the Limit of Insurance stated in the declarations as applicable to the described premises.

Applicable off premises property:

(1) Water Supply Services, meaning the following types of property supplying water to the described premises:

- (a) pumping stations; and
- (b) water mains.

(2) Communication Supply Services, meaning property supplying communications service, including telephone, radio, microwave or television services to the described premises, such as:

- (a) communication transmission lines except overhead transmission lines, including fiber optic transmission lines;
- (b) coaxial cables; and
- (c) microwave radio relays, except satellites.

(3) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (a) utility generating plants;
- (b) switching stations;
- (c) substations;
- (d) transformers; and
- (e) transmission lines, except overhead transmission lines.

3. ADDITIONAL COVERAGE EXTENSIONS are amended as follows:

Property in Transit is deleted in its entirety and is replaced by the following:

**1. PROPERTY IN TRANSIT**

The most we will pay for loss or damage under this extension is the annual limit shown in the Schedule of this form. This extension applies only to your business personal property and similar property of others that you have on consignment to which this form applies.

a. We have extended the insurance provided by this Coverage Part to apply to your business personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be between points in the coverage territory and

- (1) In the custody of a "carrier" or bailee for hire; or
- (2) On vehicles you own, lease or operate.

b. Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- (2) Vehicle 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.
- (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

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

4. EXCLUSIONS are amended as follows:

(a) The Utility Services Exclusion is deleted in its entirety and is replaced by the following:

**Utility Services**

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises except as provided in the Additional Coverage on this endorsement. Failure includes lack of sufficient capacity and reduction in supply. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

(b) Special exclusion 4.a.(1) is deleted in its entirety and is replaced by the following:

Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if failure occurs outside of a covered building, except as provided in the Additional Coverage on this endorsement. But if failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

**THE FOLLOWING DEFINITIONS ARE ADDED AS RESPECTS THIS ENDORSEMENT:**

1. "Carrier" means a person or organization who provides motor, rail or air transportation for compensation.
2. "Emergency" means imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to your customers, clients, residents, students, campers or users of your facility.
3. "Fine Arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, stained glass windows, and similar property of rarity, historical value or artistic merit.
4. "Finished Stock" means stock you have manufactured. "Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.
5. "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.
6. "Operations" means your business activities occurring at the described premises and the tenantability of the described premises.
7. "Period of Restoration" means the period of time that:
  - a. Begin
    - (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or
    - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends the earlier of:

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

"Period of restoration" 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" as defined in **CP0010**.

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

8. "Rental Value" means Business Income that consists of:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that premises, including:
    - (1) Payroll; and
    - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
9. "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."
10. "Suspension" means:
  - a. The shutdown or cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable.

All other terms and conditions remain the same.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PRO GUIDE PLUS ENHANCEMENT**

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

Throughout this endorsement 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.

This endorsement modifies and is subject to the insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM**

The following is a summary of the limits of insurance, additional coverages and extensions provided by this endorsement. For complete details on specific coverages, consult the policy contract wording. Unless otherwise stated in specific coverage provision, no coinsurance applies under this form. These coverages apply separately to each of your premises described in the declarations. If no limit is shown for a coverage, then that coverage does not apply and all references to it are deleted from this endorsement.

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible. The deductible provisions do not preclude the imposition of any applicable coverage waiting period, as stated in specific coverage section of this form. Unless a separate deductible amount is shown in a specific coverage section of this form, we will not pay for loss or damage in any one occurrence under any coverage on this endorsement until the amount of loss or damage exceeds the lesser of the building or business personal property deductible applicable to the highest valued building on the schedule at the covered location at the time of loss. Deductibles do not reduce the amount of insurance.

The coverages in this Endorsement are primary. Any duplicate coverages found on other coverage forms and endorsements attached to this policy shall be excess. In case of any duplicate coverages, the highest Limit of Insurance will apply to that coverage. In no instance will limits be stacked or combined.

**I. AMENDMENTS TO COVERAGES UNDER THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM:**

**ANNUAL LIMITS OF INSURANCE**

**COVERAGE**

II. AMENDMENTS TO COVERAGES UNDER THE CAUSES OF LOSS SPECIAL FORM:

**THE BUILDING AND PERSONAL PROPERTY  
COVERAGE FORM IS AMENDED AS FOLLOWS:**

The following are added to ADDITIONAL COVERAGES:

**BUSINESS INCOME AND EXTRA EXPENSE**

a. Business Income means the:

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

b. 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.

c. We will pay for:

- (1) The actual loss of Business Income you sustain due to the necessary "suspension" of your business "operations" at the described premises during the "Period of Restoration". The "suspension" must be caused by direct physical loss of or damage to property, including personal property in the open (or in a vehicle) at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.
- (2) The actual and necessary Extra Expense you incur during the "Period of Restoration" due to direct physical loss of or damage to property at the premises described in the Declarations, including personal property in the open (or in a vehicle), caused by or resulting from a Covered Cause of Loss.

(3) 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 72 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 Extra Expense will begin immediately after the time of that action and will end:

- (1) 3 consecutive weeks after the time of that action; or
- (2) When your Business Income coverage ends;

whichever is later.

d. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of operations caused by or resulting from any ordinance or law that:

- (1) Regulates the construction or repair of any property;
- (2) Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
- (3) Is in force at the time of the loss.

However, coverage is not extended under this coverage to include loss caused by or resulting from 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.

**e. Extended Business Income**

We will pay for the actual loss of Business Income you sustain during the seasonal term following the date the property is actually repaired, rebuilt or replaced, if that date is 30 days or less before the scheduled opening of the next seasonal term.

**f.** The most we will pay for loss of Business Income and Extra Expense in any one occurrence under this Coverage is \$5,000. No deductible applies to this coverage.

**REFRIGERATED GOODS SPOILAGE**

We will pay for direct physical loss or damage to your business personal property and perishable personal property of others while in your care at or within 1000 feet of the described premises, caused by spoilage due to change in temperature or humidity resulting from:

- (1)** Mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus is at the described premises; and
- (2)** Contamination by refrigerant; or
- (3)** Complete or partial interruption of electrical power, either on or off the described premises due to conditions beyond your control.

Section **A. Paragraph 5., Coverage Extensions of the Building and Personal Property Coverage Form** does not apply.

Section **B. Exclusions and Limitations of the Building and Personal Property Coverage Form** is replaced by the following:

**(1) Exclusions**

**(a)** Only the following exclusions contained in paragraph **B.1. of the Special Causes of Loss form** apply to this coverage:

- (i)** EARTH MOVEMENT;
- (ii)** GOVERNMENTAL ACTION;
- (iii)** NUCLEAR HAZARD;
- (iv)** WAR AND MILITARY ACTION; and
- (v)** WATER.

**(b)** The following exclusions are added:

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

- (i)** The disconnection of any refrigerating, cooling or humidity control system from the source of power;

- (ii)** The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
- (iii)** The inability of an Electrical Utility Company or other power source to provide sufficient power due to lack of fuel or governmental order;
- (iv)** The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand;
- (v)** Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

The most we will pay for loss or damage during this policy term under this Additional Coverage is the limit shown in the Schedule of this form.

**FIRE PROTECTION DEVICE RECHARGE**

We will pay to recharge or refill your fire protective devices that are permanently installed in buildings at described premises. This coverage only applies when such devices have been discharged while being used to combat a covered fire at the premises described in the declarations, which results in a covered loss. The most we will pay under this additional coverage is the limit shown in the Schedule of this form. No deductible applies to this Additional Coverage.

**FIRE DEPARTMENT SERVICE CHARGE**

Fire Department Service Charge is deleted in its entirety and is replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the limit shown in the Schedule of this form for your liability for fire department service charges:

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

**"MONEY" AND "SECURITIES"**

We will pay for loss of "money" and "securities" used in your business while at the bank or savings institution, at the covered location or in transit between any of these places, resulting directly from:

- (1)** "Theft", meaning any act of stealing;
- (2)** Disappearance; or
- (3)** Destruction.

We will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) 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.

All loss covered by one or more persons or involving a single act or series of related acts is considered one loss. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

Valuation Settlement: We will pay for:

Loss of "money" for not more than its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

- (1) At face value in the "money" issued by that country; or
- (2) In the United States of America's dollar equivalent on the day the loss was discovered.

Loss of "securities" for not more than their value at the close of business on the day the loss was discovered. We may, at our option:

- (1) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";
- (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the value of the "securities" at the close of business on the day the loss was discovered.

The most we will pay for loss during this policy term is:

- (1) The limit shown in the Schedule of this form for: On Premises "Money" and "Securities" while:
  - (a) In or on the covered location; or
  - (b) Within a bank or savings institution; and
- (2) The limit shown in the Schedule of this form for: Off Premises "Money" and "Securities" while anywhere else.

## CRIMINAL REWARD

We have extended the insurance provided by this endorsement for information leading to the arrest and conviction of persons responsible for crimes committed against the insured, when any covered loss is deemed suspicious by the police or fire department, and only when the person responsible is convicted of the crime.

The most we will pay under this extension is the annual limit shown in the Schedule of this form for criminal reward. No deductible applies to this Additional Coverage.

## PROCESSORS COVERAGE

We have extended the insurance that applies to your business personal property to apply to Covered Property that is owned by you or the property of others for which you are legally liable only while such property is in the care, custody or control of a processor or in due course of transit to or from a processor; for the purpose of performing work upon the property.

Valuation will be determined as follows:

- (1) The value will be the least of:
  - (a) the actual cash value of the property;
  - (b) the cost of reasonably restoring that property to its condition immediately before loss or damage;
  - (c) the cost of replacing that property with substantially identical property;
  - (d) the value of property that is unfinished at the time of loss will include the value of labor, materials or services furnished by the processor, if you have paid the processor for such labor, materials or services. However, the value of the property will not exceed the cost to replace such property; or
  - (e) the amount of insurance stated in this coverage extension.

The value of the property will be determined at the time of loss in the event of loss.

Property Not Covered means:

- (1) Accounts, bills, currency, deeds, evidences of debt, "money", notes or "securities",
- (2) Property at, or in transit to or from, a processor that you own, lease or operate;
- (3) Property while in the mail; or
- (4) Contraband, or property in the course of illegal transportation or trade.

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

- (1) Theft from any unattended vehicle unless at the time of loss its windows, doors and compartments were closed and locked and there are visible signs of forced entry. But this exclusion does not apply to property in the custody of a carrier for hire.
- (2) Delay, loss of use, loss or market or any other consequential loss.
- (3) Unexplained disappearance.
- (4) Shortage found upon taking inventory.
- (5) Dishonest or criminal acts committed by you, any of your partners, employees, directors, trustees or authorized representatives; a manager or a member if you are a limited liability company; anyone else with an interest in the property, or their employees or authorized representatives; or anyone else to whom the property is entrusted for any purpose. This exclusion applies whether or not such persons act alone or in collusion with other persons or such acts occur during the hours of employment.
- (6) Artificially generated current causing a short circuit or other electrical disturbance within an article covered under this Coverage Form. But, if artificially generated current, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form. This exclusion only applies to loss or damage to that article in which the disturbance occurs.
- (7) 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.
- (8) Unauthorized instructions to transfer property to any person or to any place.
- (9) Neglect of an insured to use all reasonable means to save or preserve property from further damage at or after the time of loss.

- (10) Wear and tear, depreciation; any quality in the property that causes it to damage or destroy itself, latent or hidden defect; gradual deterioration; pollution damage; breakdown of Covered Property; malfunction, or failure of Covered Property to operate; insects, vermin, rodents; corrosion, dust, dampness, extremes of temperature. But if a loss by a Covered Cause of Loss results, we will pay for the resulting loss.
- (11) Processing or work upon the property. But if processing or work upon the property results in fire or explosion, we will pay for direct loss caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.
- (12) Improper packing or stowage, or rough handling.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this form.

#### **EMPLOYEE DISHONESTY**

- (1) We will pay for direct loss of or damage to business personal property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
  - (a) Cause you to sustain loss or damage; and also
  - (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
    - (i) Any employee; or
    - (ii) Any other person or organization.
- (2) We will not pay for loss or damage:
  - (a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons,
  - (b) Or where the only proof of which as to its existence or amount is:
    - (i) An inventory computation; or
    - (ii) A profit and loss computation.
- (3) The most we will pay for loss or damage during this policy term is the limit shown in the Schedule of this form.

- (4) All loss or damage caused by one or more persons or involving a single act or series of related acts is considered one occurrence.
- (5) We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no limit of insurance cumulates from year to year or period to period.
- (6) This Additional Coverage does not apply to any employee immediately upon discovery by you or any of your partners, officers or directors not in collusion with the employee of any dishonest act committed by that employee before or after being hired by you.
- (7) We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.
- (8) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage provided:
  - (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance under paragraph (8) above is part of, not in addition to, the amount of insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
  - (a) This Additional Coverage as of its effective date; or
  - (b) The prior insurance had it remained in effect.
- (10) Employee also includes any non-compensated natural person:
  - (a) Other than one who is fund solicitor, while performing services for you that are usual to the duties of an employee; or
  - (b) While acting as fund solicitor during fund raising campaigns.

## ORDINANCE OR LAW COVERAGE

The following replaces Increased Cost Of Construction in the Building and Personal Property Coverage Form and deletes the Ordinance or law exclusion in the Causes of Loss - Special Form:

- (1) If a Covered Cause of Loss occurs to covered building property, we will pay:
    - (a) for loss in value for the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
      - (i) requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
      - (ii) regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
      - (iii) is in force at the time of loss;
    - (b) the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law;
    - (c) the increased cost to:
      - (i) repair or reconstruct damaged portions of that building and/or
      - (ii) reconstruct or remodel undamaged portions of that building whether or not demolition is required;
 when the increased cost of construction is a consequence of enforcement of the minimum requirements of the ordinance or law.
- However:
- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
  - (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

Coverage under this endorsement applies only in response to 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 endorsement.

But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

If the building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law, we will not pay the full amount of loss otherwise payable under this coverage. Instead, we will pay a portion of such loss, meaning the portion of that the covered direct physical damage bears to the total physical damage. However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this coverage.

**(2) (a)** We will not pay the following under coverage in **(1)(a), (b)** or **(c)** above:

**(i)** Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" (as defined in form **CP 00 10**) or due to the presence, growth, proliferation, spread or any activity of "fungus" (as defined in **CP 00 10**), wet or dry rot or bacteria; or

**(ii)** 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" (as defined in form **CP 00 10**), "fungus" (as defined in form **CP 00 10**), wet or dry rot or bacteria.

**(b)** We will not pay the increased coverage afforded by **(1)(c)** above:

**(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.

**(c)** We will not pay for loss due to any ordinance or law that:

**(i)** you were required to comply with before the loss, even if the building was undamaged; and

**(ii)** you failed to comply with.

**(3)** When there is a loss in value of an undamaged portion of a building, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

**(a)** If the Replacement Cost Coverage Option applies and the property is being repaired or replaced on the same or another premises, we will not pay more than the amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured;

**(b)** 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 actual cash value of the building at the time of loss.

Both of the above are also subject to the maximum limit applicable to all loss or damage combined in any one occurrence shown in paragraph **(4)** that follows.

**(4)** The most we will pay for the loss for Loss in Value of the Undamaged Portion of the Building is the limit shown in Schedule of this form. The most we will pay for the Cost to Demolish and the Increased Cost of Construction is the limit shown in the Schedule of this form.

The following loss payment provisions also apply:

**(a)** For demolition cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

**(b)** With respect to the increased cost of construction:

(i) We will not pay for the increased cost of construction until the property is actually repaired or replaced at the same or another premises and unless the repairs are made as soon as possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(ii) 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.

(iii) 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 coverage apply separately to each building to which this coverage applies.

**THE FOLLOWING COVERAGE EXTENSIONS ARE AMENDED AS FOLLOWS:**

a. Newly Acquired or Constructed Property is deleted in its entirety and is replaced by the following:

**NEWLY ACQUIRED OR CONSTRUCTED PROPERTY**

**(1) Buildings**

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

(a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations other than the described premises, intended for:

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

(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is the limit shown in the Schedule of this form 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:

(i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;

(ii) 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

(iii) 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 the annual limit shown in the Schedule of this form at each building.

(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(ii) 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) 30 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 values to us.

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

b. Personal Effects and Property of Others is deleted in its entirety and replaced by the following:

**PERSONAL EFFECTS AND PROPERTY OF OTHERS**

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal effects, including horses, owned by you, your officers, directors, partners or members, trustees or your employees while those personal effects or horses are in the insureds care. This extension does not apply to loss or damage by theft.

(2) Personal property of others, including horses, in your care, custody and control.

The most we will pay for loss or damage under this Extension is the annual limit shown in the Schedule of this form at each described premises. A different limit applies depending on whether property includes owned horses or horses in your care, custody, and control. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. We can settle all losses with you and make all payments to you at our option. This property is not covered if it is already insured elsewhere.

**c. Property Off Premises** - the last sentence is amended to read as follows:

The most we will pay under this extension is the limit shown in the Schedule of this form.

## **THE FOLLOWING IS ADDED TO COVERAGE EXTENSIONS**

### **"EMERGENCY" VACATING EXPENSES**

The insurance provided by this Coverage Form is extended to apply to the reasonable expenses that you incur in the "emergency" vacating of the premises of your facility.

We will not pay any expenses under this extension arising out of:

- (1)** A strike, bomb threat or false fire alarm, unless vacating is ordered by civil authority;
- (2)** A planned vacating drill;
- (3)** The vacating of one or more of your customers, clients, residents, students, campers or users of your facility that is due and confined to their individual medical condition; or
- (4)** Any of the following to the extent these causes of loss are excluded in Section B. of this Coverage Form:
  - (a)** Governmental action;
  - (b)** Nuclear hazard; and
  - (c)** War and military action.

No other exclusions in your policy apply to this extension.

No deductible applies to this Additional Coverage.

The most we will pay for "Emergency" Vacating Expenses during this policy term under this extension is the limit shown in the Schedule of this form.

### **CREDIT CARD AND COUNTERFEIT MONEY**

1. We will pay up to:

- a. \$1,500 for credit card transactions if our insured, by law, is held liable for the acceptance of fraudulent charges for service or merchandise associated with the insured operation, by the credit card company.

- b. \$1,500 for counterfeit money if an insured accepts in good faith counterfeit United States or Canadian paper money.

2. We will not pay for loss if:

- a. The loss is caused by the dishonesty of the insured or employee; or

- b. The loss occurs from a person using a credit card with consent of the credit card owner.

No deductible applies to this Additional Coverage.

### **CONSEQUENTIAL DAMAGE**

You may extend the insurance that applies to Your Business Personal Property to cover the consequential damage to your undamaged personal property. Consequential damage means a part or parts of your product are physically lost or damaged by a Covered Cause of Loss, causing the part or parts that are not damaged to be unmarketable as a complete product.

The most we will pay under this Coverage Extension is the limit shown in the Schedule of this form.

### **RECREATIONAL PROPERTY REDEFINED**

If this policy provides coverage for your building(s), or, if you are a tenant, you have an ownership interest in these specific items, AND when a limit is shown on the policy or a value is included on your statement of values, the following will be included as COVERED PROPERTY:

The following is added to Section A., Paragraph 1., Covered Property, Item a.:

1. Miscellaneous structures and outdoor fixtures including:
  - (a)** Tent platforms;
  - (b)** Pavilions and shelters;
  - (c)** Docks, piers, floats, beach and diving platforms and appurtenances;
  - (d)** Boat and canoe racks;
  - (e)** Athletic backstops, surfaces and enclosures;
  - (f)** Playground equipment;
  - (g)** Swimming pools;
  - (h)** Pumps, filters and metal smoke stacks;
  - (i)** Above ground transmission lines; and
  - (j)** Roadways, walks, patios and other paved surfaces.

1. When a limit is shown on the policy or a value is included on your statement of values, the following is added to COVERED PROPERTY, **BUSINESS PERSONAL PROPERTY**:

The following types of property:

- (a) Athletic and sports equipment, waterfront and pool equipment and supplies, and arts and crafts supplies;
- (b) Maintenance equipment and tools, office equipment and supplies, first aid and infirmary supplies, dry groceries, kitchen supplies and utensils and inventory from the insured's supply store;
- (c) Canoes, kayaks, windsurfers and boats under 21 feet in length, whether in or out of the water, and related equipment and outboard motors 30 horsepower and under;
- (d) Tents, beds and bedding and camping equipment;
- (e) Personal property that is owned by you in dwellings or living quarters furnished by you to staff members; and
- (f) All other personal property that is owned by you and used in your business.

Unless otherwise noted in this endorsement, the following limitation is deleted: covered business personal property or property of others limited to within 100 feet of the described premises. There is no limitation to distance from the described premises unless specifically stated in the above noted forms.

## 2. PROPERTY NOT COVERED

Item **p.** of Property Not Covered is deleted and replaced by the following:

- p.** Vehicles or self-propelled machines (including aircraft or watercraft) that:
- (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from described premises.

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (2) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (3) Watercraft under 21 feet in length;
- (4) Outboard motors under 30 horsepower; or
- (5) Trailers, but only to the extent provided for in the Coverage Extension For Non-Owned Detached Trailers.

## 3. VACANCY LOSS CONDITIONS

The entire Vacancy Provisions section of LOSS CONDITIONS is deleted and replaced by the following:

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage, we will:

- a.** Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
- (1) Vandalism;
  - (2) Sprinkler leakage, unless you have protected the system against freezing;
  - (3) Building glass breakage;
  - (4) Water damage;
  - (5) Theft; or
  - (6) Attempted theft.

- b.** Reduce the amount we would otherwise pay for the loss or damage by 15%.

For occupancies that are not seasonal, the term building and the term vacant have the following meanings:

- a.** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- b.** When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
- (1) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
  - (2) Used by the building owner to conduct customary operations.

For seasonal operations, a building shall not be considered vacant if the contents have been removed to another building, if the contents removed were of a seasonal nature or if the building vacated is part of an ongoing seasonal operation.

Buildings under construction or renovation are not considered vacant.

**THE CAUSES OF LOSS - SPECIAL FORM IS AMENDED AS FOLLOWS:**

**1. ADDITIONAL COVERAGE EXTENSIONS** are amended as follows:

Property in Transit is deleted in its entirety and is replaced by the following:

**1. PROPERTY IN TRANSIT**

The most we will pay for loss or damage under this extension is the annual limit shown in the Schedule of this form. This extension applies only to your business personal property and similar property of others that you have on consignment to which this form applies.

a. We have extended the insurance provided by this Coverage Part to apply to your business personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be between points in the coverage territory and

- (1) In the custody of a "carrier" or bailee for hire; or
- (2) On vehicles you own, lease or operate.

b. Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- (2) Vehicle 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.
- (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

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

**THE FOLLOWING DEFINITIONS ARE ADDED AS RESPECTS THIS ENDORSEMENT:**

1. "Carrier" means a person or organization who provides motor, rail or air transportation for compensation.

2. "Emergency" means imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to your customers, clients, residents, students, campers or users of your facility.

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

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. "Operations" means your business activities occurring at the described premises and the tenability of the described premises.

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

a. Begin

- (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends the earlier of:

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

"Period of restoration" 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" as defined in **CP0010**.

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

7. "Rental Value" means Business Income that consists of:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that premises, including:
    - (1) Payroll; and
    - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
8. "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."
9. "Suspension" means:
  - a. The shutdown or cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable.

All other terms and conditions remain the same.



SERFF Tracking Number: MRKB-125528185 State: Arkansas  
Filing Company: Markel Insurance Company State Tracking Number: EFT \$50  
Company Tracking Number: 0802FF021  
TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1000 CMP Sub-TOI Combinations  
Portion Only  
Product Name: Dude Ranch/Outfitters & Guides  
Project Name/Number: Dude Ranch/Outfitters & Guides - New forms/0802RF021

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 03/13/2008

**Comments:**  
**Attachment:**  
NAIC PCTD.pdf

**Satisfied -Name:** Cover Letter **Review Status:** Approved 03/13/2008

**Comments:**  
**Attachment:**  
Cover Letter.pdf

**Satisfied -Name:** Filing Memorandum **Review Status:** Approved 03/13/2008

**Comments:**  
**Attachment:**  
Filing Memo.pdf

## Property & Casualty Transmittal Document (Revised 1/1/06)

**1. Reserved for Insurance Dept. Use Only**

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**2. Insurance Department Use only**

|                                       |  |
|---------------------------------------|--|
| a. Date the filing is received:       |  |
| b. Analyst:                           |  |
| c. Disposition:                       |  |
| d. Date of disposition of the filing: |  |
| e. Effective date of filing:          |  |
| New Business                          |  |
| Renewal Business                      |  |
| f. State Filing #:                    |  |
| g. SERFF Filing #:                    |  |
| h. Subject Codes                      |  |

|                      |                     |
|----------------------|---------------------|
| <b>3. Group Name</b> | <b>Group NAIC #</b> |
| Markel Corporation   | 785                 |

| 4. Company Name(s)       | Domicile | NAIC # | FEIN #     |
|--------------------------|----------|--------|------------|
| Markel Insurance Company | Illinois | 38970  | 36-3101262 |
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|-----------------------------------|------------------|
| <b>5. Company Tracking Number</b> | <b>0802FF021</b> |
|-----------------------------------|------------------|

**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

| 6. | Name and address  | Title                                      | Telephone #s                 | Fax #              | e-mail                |
|----|---|--|------------------------------|--------------------|-----------------------|
|    | Deidre Balbuena<br>4600 Cox Road<br>Glen Allen VA 23060 | VP - Product<br>and Regulatory<br>Services | 1-800-431-<br>1270 ext. 7941 | 1-804-527-<br>7900 | wmejia@markelcorp.com |
|    |   |  |                              |                    |                       |
| 7. | Signature of authorized filer                           |  | <i>Deidre Balbuena</i>       |                    |                       |
| 8. | Please print name of authorized filer                   |  | Deidre Balbuena              |                    |                       |

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

|     |  |   |
|-----|--|---|
| 9.  | Type of Insurance (TOI)  | Commercial Property   |
| 10. | Sub-Type of Insurance (Sub-TOI)  | Commercial Property   |
| 11. | State Specific Product code(s)(if applicable)[See State Specific Requirements] |   |
| 12. | Company Program Title (Marketing title)  | <b>Dude Ranch and Outdoor Program</b>   |
| 13. | Filing Type  | <input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules<br><input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms<br><input type="checkbox"/> Withdrawal <input type="checkbox"/> Other |
| 14. | Effective Date(s) Requested  | New: 05-15-2008      Renewal: 07-15-2008  |
| 15. | Reference Filing?  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| 16. | Reference Organization (if applicable)   | N/A   |
| 17. | Reference Organization # & Title   | N/A   |
| 18. | Company's Date of Filing   | 03-07-2008  |
| 19. | Status of filing in domicile   | <input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved   |

## Property & Casualty Transmittal Document---

|            |  |           |
|------------|--|-----------|
| <b>20.</b> | <b>This filing transmittal is part of Company Tracking #</b> | 0802FF021 |
|------------|--|-----------|

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

Markel Insurance Company wishes to file the enclosed new Commercial Property endorsements for use with our Dude Ranch and Outdoor Program. These forms are intended to allow us to continue to provide a comprehensive product for the guides & outfitter industry.

Please see our attached Filing Memorandum for further details. Corresponding rating rules are being submitted under separate cover, filing #0802RR021.

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

|                 |         |
|-----------------|---------|
| <b>Check #:</b> | EFT     |
| <b>Amount:</b>  | \$50.00 |

|                  |
|------------------|
| <br><br><br><br> |
|------------------|

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

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



## MARKEL INSURANCE COMPANY

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4600 Cox Road Glen Allen, Virginia 23060-9817 P.O. Box 3870, Glen Allen, Virginia 23058-3870  
(800) 431-1270 Fax (804) 527-7900

March 7, 2008

Honorable Julie Benafield Bowman  
Commissioner of Insurance  
Arkansas Insurance Department  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

Re: Markel Insurance Company, NAIC #785-38970  
Commercial Property – Independent Forms  
Dude Ranch and Outdoor Program  
Company File # 0802FF021

Honorable Bowman:

Markel Insurance Company wishes to file the enclosed new Commercial Property endorsements for use with our Dude Ranch and Outdoor Program. These forms are intended to allow us to continue to provide a comprehensive product for the guides & outfitter industry.

Please see our attached Filing Memorandum for further details. Corresponding rating rules are being deskfiled under separate cover, filing #0802RR021.

We trust you will find this submission in order. We wish to utilize this filing for all new policies effective on or after May 15, 2008 and all renewal policies effective on or after July 15, 2008. Should you have any questions regarding this filing, please contact Meiji Mejia by phone at (800) 431-1270, ext 7941, by mail at the above address or by e-mail at [wmejia@markelcorp.com](mailto:wmejia@markelcorp.com).

Sincerely,

A handwritten signature in cursive script that reads "Deidre Balbuena".

Deidre I. Balbuena  
Vice President  
Product & Regulatory Services

**MARKEL INSURANCE COMPANY  
COMMERCIAL PROPERTY**

**FORM MEMORANDUM**

Markel Insurance Company is introducing the below new endorsements for use with our Dude Ranch & Outdoor Program.

- 1) **MCP041 Custom Hospitality Enhancement** –This premium bearing extension endorsement broadens coverages currently found in the ISO Commercial Property Coverage form and was developed from our currently approved form MCP020- *Dude Ranches And Guest Property Enhancement Endorsement*. Our new form broadens coverage provided by the MCP020 as follows:

Newly Added Coverages

- Accounts Receivable is provided at \$25,000 limit
- Consequential Damage is provided at \$10,000 limit
- Contractual Penalties is provided at \$25,000 per occurrence, \$100,000 per aggregate limit
- Debris Removal is provided at \$25,000 limit
- Deferred Payments is provided at \$25,000 limit
- Electronic Data Processing is provided at \$50,000 limit
- Exhibition Coverage is provided at \$10,000 limit
- Attached/Detached Signs is provided at \$7,500 limit
- “Fine Arts” is provided at \$10,000 limit
- Forgery And Alteration is provided at \$10,000 limit
- Loss Data Preparation Costs is provided at \$10,000 limit
- Lock Replacement is provided at \$1,000 limit
- Newly Acquired Property-Buildings is provided at \$500,000 limit for up to 30 days
- Ordinance Or Law-Value of Undamaged Proportion is provided at 15% of Building (Limit up to \$50,000)
- Ordinance Or Law-Demolition/Increased Cost of Construction is provided at 15% of Building (Limit up to \$100,000)
- Outdoor Property is provided at \$2,500 per item/\$5,000 per occurrence limit including windstorm and hail
- Pollutant Clean Up And Removal is provided at \$10,000 limit
- Premises Limitation is increased to 500 feet
- Processors Coverage is provided at \$10,000 limit
- Property In The Open is provided at \$15,000 limit
- Property Off Premises is provided at \$15,000 limit
- Utility Services-Direct Damage is provided at \$10,000 limit
- Valuable Paper And Records is provided at \$5,000 limit
- Water Backup From Sewers And Drains is provided at \$25,000 limit
- Worldwide Personal Property is provided at \$5,000 limit

Expanded limits from those provided by MCP020:

- Business Income Extra Expense is increased from \$10,000 to \$25,000
- Credit Card And Counterfeit Money is increased from \$1,500 to \$2,000
- Emergency Vacating Expenses is increased from \$2,000 to \$5,000
- Fire Department Service Charge is increased from \$3,000 to \$5,000
- Fire Protection Device Recharge is increased from \$1,000 to \$2,000
- Personal Property Of Others-Horses is increased from \$1,500 per horse/\$4,500 aggregate to \$1,500 per horse/\$5,000 aggregate

**MARKEL INSURANCE COMPANY  
COMMERCIAL PROPERTY**

**FILING MEMORANDUM (continued)**

- 2) **MCP042 Elite Hospitality Enhancement** –This premium bearing endorsement broadens and expands coverage provided by MCP041 *Custom Hospitality Enhancement*. Our new form broadens coverage provided by MCP041 as follows:

Expanded limits from those provided by MCP041

- Accounts Receivable is increased from \$25,000 to \$50,000
- Criminal Reward is increased from \$2,000 to \$5,000
- Business Income And Extra Expense is increased from \$25,000 to \$50,000
- Credit Card And Counterfeit Money is increased from \$2,000 to \$3,000
- Consequential Damage is increased from \$10,000 to \$25,000
- Emergency Vacating Expenses is increased from \$5,000 to \$10,000
- Employee Dishonesty is increased from \$5,000 to \$10,000
- Exhibition Coverage is increased from \$10,000 to \$25,000
- Attached and Detached Signs is increased from \$7,500 to \$10,000
- “Fine Arts” is increased from \$10,000 to \$25,000
- Fire Department Service Charge is increased from \$5,000 to \$10,000
- Fire Protection Device Recharge is increased from \$2,000 to \$5,000
- Loss Data Preparation Costs is increased from \$10,000 to \$25,000
- New Acquired Property-Buildings is increased from \$500,000 for up to 30 days to \$1,000,000 for up to 60 days
- Ordinance Or Law-Value of Undamaged Portion is increased from 15% of Building (Limit up to \$50,000) to 15% of Building (Limit up to \$100,000)
- Ordinance Or Law-Demolition/Increased Cost of Construction is increased from 15% of Building (Limit up to \$100,000) to 15% of Building (Limit up to \$125,000)
- Outdoor Property is increased from \$2,500 per item/\$5,000 per occurrence to \$2,500 per item/\$10,000 per occurrence
- Personal Effects and Personal Property of Others is increased from \$1,000 per person/\$25,000 occurrence to \$2,500 per person/\$25,000 occurrence
- Pollutant Clean Up And Removal is increased from \$10,000 to \$15,000
- Premises Limitation is increased from 500 feet to 1,000 feet
- Processors Coverage is increased from \$10,000 to \$25,000
- Property In The Open is increased from \$15,000 to \$25,000
- Property Off Premises is increased from \$15,000 to \$25,000
- Utility Services-Direct Damage is increased from \$10,000 to \$25,000
- Valuable Papers And Records is increased from \$5,000 to \$15,000
- Worldwide Personal Property is increased from \$5,000 to \$10,000

- 3) **MCP043 Cast & Shoot Enhancement** - This premium bearing endorsement broadens coverages currently found in ISO Commercial Property Coverage Form and was developed from our currently approved form MCP020 *Dude Ranches And Guest Lodges Property Enhancement Endorsement*. Our new form modifies coverage provided by MCP020 as follows:

Newly Added Coverages

- Accounts Receivable is provided at \$10,000 limit
- Consequential Damages is provided at \$5,000 limit
- Contractual Penalties is provided at \$25,000 per occurrence/\$100,000 aggregate limit
- Debris Removal is provided at \$5,000 limit
- Attached and Detached Signs is provided at \$3,000 limit
- “Fine Arts” is provided at \$5,000 limit
- Forgery and Alteration is provided at \$10,000 limit
- Loss Data Preparation Costs is provided at \$10,000 limit

**MARKEL INSURANCE COMPANY  
COMMERCIAL PROPERTY**

**FILING MEMORANDUM (continued)**

**3) MCP043 Cast & Shoot Enhancement (Continued)**

Newly Added Coverages (Continued)

- Lock Replacement is provided at \$1,000 limit
- Newly Acquired Property-Buildings is provided at \$350,000 limit for up to 30 days
- Ordinance Or Law-Valued of Undamaged Portion is provided at 15% of Building (Limit up to \$50,000)
- Ordinance Or Law-Demolition/Increased Cost of Construction is provided at 15% of Building (Limit up to \$100,000)
- Outdoor Property is provided at \$2,500 per item/\$5,000 occurrence (including windstorm and hail)
- Pollutant Clean Up And Removal is provided at \$10,000 limit
- Processors Coverage is provided at \$10,000 limit
- Property In The Open is provided at \$15,000 limit
- Property Off Premises is provided at \$15,000 limit
- Utility Services-Direct Damage is provided at \$10,000 limit
- Valuable Papers And Records is provided at \$5,000 limit
- Water Backup From Sewers And Drains is provided at \$25,000 limit
- Worldwide Personal Property is provided at \$5,000 limit

Expanded limits from those provide by MCP020:

- Premises Limitation is increased from 100 feet to 500 feet
- Property of Others-Horses is increased from \$1,500 per horse/\$4,500 occurrence to \$1,500 per horse/\$5,000 occurrence

Reduced limits from those provided by MCP020:

- Newly Acquired Property-Business Personal Property is reduced from \$500,000 to \$350,000 limit
- Person Effects-Horses coverage is eliminated

**4) MCP 044 Outfitters & Guides Enhancement -** This premium bearing endorsement broadens and expands coverages currently found ISO Commercial Property Coverage Form and was developed from our currently approved MCP020 *Dude Ranches And Guest Lodges Property Enhancement Endorsement*. Our new form modifies coverage provided by MCP020 as follows:

Newly Added Coverages

- Consequential Damages is provided at \$25,000 limit
- Newly Acquired Property-Buildings is provided at \$25,000 for up to 30 days
- Ordinance Or Law-Value of Undamaged Portion is provided at 15% of Building (Limit up to \$50,000)
- Ordinance Or Law-Demolition/Increased Cost of Construction is provided at 15% of Building (Limit up to \$100,000)
- Processors Coverage is provided at \$3,000 limit
- Property Off Premises is provided at \$2,500 limit

Reduced limits from those provided by MCP020

- Business Income and Extra Expense is reduced from \$10,000 to \$5,000
- Newly Acquired Property-Business Personal Property is reduced from \$500,000 to \$10,000
- Personal Effects and Personal Property of Others is reduced from \$1,000 per person/\$25,000 per occurrence to \$1,000 per person/\$10,000 per occurrence
- Property In Transit is reduced from \$25,000 to \$15,000
- Spoilage-Direct Damage is reduced from \$25,000 to \$5,000