

SERFF Tracking Number: HNVR-125704208 State: Arkansas  
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$50  
Company Tracking Number: CP-CW-08299-01F  
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)  
Product Name: Commercial Property; Wholesale Advantage & Emergency Event Management Broadening Endorsements  
Project Name/Number: Commercial Property; Wholesale Advantage & Emergency Event Management Broadening Endorsements /CP-CW-08299-01F

## Filing at a Glance

Companies: Hanover American Insurance Company, Massachusetts Bay Insurance Company, The Hanover Insurance Company

Product Name: Commercial Property; Wholesale Advantage & Emergency Event Management Broadening Endorsements  
TOI: 01.0 Property  
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)  
Filing Type: Form

SERFF Tr Num: HNVR-125704208 State: Arkansas  
SERFF Status: Closed  
Co Tr Num: CP-CW-08299-01F  
Co Status:  
Author: Sylvie Bosunga, CPCU  
Date Submitted: 06/20/2008

State Tr Num: EFT \$50  
State Status: Fees verified and received  
Reviewer(s): Betty Montesi, Llyweyia Rawlins  
Disposition Date: 08/12/2008  
Disposition Status: Approved  
Effective Date (New): 07/20/2008  
Effective Date (Renewal): 07/20/2008

Effective Date Requested (New): 07/20/2008

Effective Date Requested (Renewal): 07/20/2008

State Filing Description:

## General Information

Project Name: Commercial Property; Wholesale Advantage & Emergency Event Management Broadening Endorsements

Project Number: CP-CW-08299-01F

Reference Organization:

Reference Title:

Filing Status Changed: 08/12/2008

State Status Changed: 06/23/2008

Corresponding Filing Tracking Number:

Filing Description:

The Hanover Insurance Group wishes to file the enclosed Property broadening endorsements, effective July 20, 2008. These endorsements broaden coverage provided under the Building and Personal Property Coverage Form, and will

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

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apply to our monoline and package policies. The two endorsements serve two specific customer types: wholesale distribution operations, and those entities which may be at risk from some type of crisis event (shootings, disease outbreaks, etc).

The following forms are being filed:

411-0497 06 08 Wholesale Advantage Property Broadening Endorsement

- This endorsement provides a variety of coverage enhancements for wholesale distribution operations.

411-0610 06 08 Emergency Event Management Coverage Endorsement

- This endorsement provides coverage for losses or expenses not conventionally insurable, which arise from specified types of emergency or critical events.

The corresponding rates and rules are exempt from filing requirement therefore maintained in our office as "desk file" under company filing number CP-CW-08299-01R.

If you should have any questions or require additional information, please do not hesitate to contact this office. Thank you for your time and attention to this matter.

## Company and Contact

### Filing Contact Information

Sylvie Bosunga, State Filing Consultant  
440 Lincoln Street  
Worcester, MA 01653

sbosunga@hanover.com  
(508) 855-8136 [Phone]  
(508) 635-0703[FAX]

### Filing Company Information

Hanover American Insurance Company  
440 Lincoln Street

CoCode: 36064  
Group Code: 88

State of Domicile: New Hampshire  
Company Type: Property &  
Casualty

Worcester, MA 01653

Group Name: The Hanover Ins  
Group

State ID Number:

(508) 855-1000 ext. [Phone]

FEIN Number: 04-3063898

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Massachusetts Bay Insurance Company  
440 Lincoln Street

Worcester, MA 01653  
(508) 855-1000 ext. [Phone]

The Hanover Insurance Company  
440 Lincoln Street

Worcester, MA 01653  
(508) 855-1000 ext. [Phone]

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CoCode: 22306  
Group Code: 88

Group Name: The Hanover Ins  
Group  
FEIN Number: 04-2217600

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CoCode: 22292  
Group Code: 88

Group Name: The Hanover Ins  
Group  
FEIN Number: 13-5129825

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State of Domicile: New Hampshire  
Company Type: Property &  
Casualty  
State ID Number:

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Company Type: Property &  
Casualty  
State ID Number:

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## Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Hanover American Insurance Company	\$50.00	06/20/2008	21011711
Massachusetts Bay Insurance Company	\$0.00	06/20/2008	
The Hanover Insurance Company	\$0.00	06/20/2008	

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	08/12/2008	08/12/2008
Approved	Llyweyia Rawlins	06/23/2008	06/23/2008

### Amendments

Item	Schedule	Created By	Created On	Date Submitted
Emergency Event Management Coverage	Form	Sylvie Bosunga, CPCU	08/12/2008	08/12/2008

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Disposition Date: 08/12/2008  
Effective Date (New): 07/20/2008  
Effective Date (Renewal): 07/20/2008  
Status: Approved  
Comment:

Rate data does NOT apply to filing.

### Overall Rate Information for Multiple Company Filings

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

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<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Uniform Transmittal Document-Property & Casualty	Approved	Yes
<b>Supporting Document</b>	Form Explanatory Memorandum	Approved	Yes
<b>Form</b>	Wholesale Advantage Property Broadening Endorsement	Approved	Yes
<b>Form (revised)</b>	Emergency Event Management Coverage	Approved	Yes
<b>Form</b>	Emergency Event Management Coverage	Approved	No

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Comment:

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Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
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<b>Form (revised)</b>	Emergency Event Management Coverage	Approved	Yes
<b>Form</b>	Emergency Event Management Coverage	Approved	No

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**Amendment Letter**

Amendment Date:  
 Submitted Date: 08/12/2008

**Comments:**

Dear Ms. Llyweya Rawlins,  
 Thank you very much for re-opening our filing and allowing us to make the needed corrections. Upon a closer review of our filing, we discovered that we forgot to include reference to the Causes of Loss - Special Form - CP 10 30 at the top of form 411-0610 0608, Emergency Event Management Coverage. We are submitting an amended form at this time with a 0808 edition date. We apologize for any inconvenience. If there are any questions, please feel free to contact me.  
 Thank you. Sylvie N. Bosunga, CPCU

**Changed Items:**

**Form Schedule Item Changes:**

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
Emergency Event Management Coverage	411-0610	08 08	Endorsement/Amendment/Conditions	New			0	411-0610 08 08 Emergency Mgmt.pdf

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Wholesale Advantage Property Broadening Endorsement	411-0497	06 08	Endorsement/Amendment/Conditions	New	0.00	411-0497 06 08 Wholesale Advantage.pdf
Approved	Emergency Event Management Coverage	411-0610	08 08	Endorsement/Amendment/Conditions	New	0.00	411-0610 08 08 Emergency Mgmt.pdf

# WHOLESALE ADVANTAGE PROPERTY BROADENING ENDORSEMENT

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

This endorsement modifies insurance provided under the following:  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM – CP 00 10  
CAUSES OF LOSS – SPECIAL FORM – CP 10 30  
BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM - CP 00 30

Under Section C. Limits of Insurance of CP00 10, the following is added:

The limits applicable to the Coverages included in this endorsement may either be in addition to or included within the applicable Limits of Insurance. For application of the limits, refer to each coverage within this endorsement.

Refer to Section IV – Definitions of this endorsement for additional words or phrases which appear in quotation marks that have special meaning.

## I. COVERAGES

### PERSONAL PROPERTY OF OTHERS INCLUDED

Under this endorsement, Section A.1. Covered Property of CP0010, c. Personal Property of Others is deleted as item c. and included as item 8) under b. Your Business Personal Property.

### A. SCHEDULED COVERAGES

These coverages amend the insurance provided under the Building and Personal Property Coverage Form, Causes of Loss – Special Form and Business Income (and Extra Expense) Coverage Form through new coverages and substitute coverage grants. Unless otherwise noted, each Limit of Insurance shown applies separately and only to each described location as shown in the Declarations. These coverages are subject to the provisions applicable to the Building and Personal Property Coverage Form, Causes of Loss – Special Form, or Business Income and Extra Expense Coverage Form unless specifically provided for and amended within this endorsement. If any of the property insured under this endorsement is also insured under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies to a specific type of property or covered loss situation, in the event of loss or damage, you may choose only one of the potentially applicable coverages to apply to that loss. The most we will pay in this case is the limit of liability applying to the coverage you select.

	<u>Limit of Insurance</u>	<u>Page</u>
1. Additional Covered Property and Increased Limits of Liability	Included	3
2. Arson and Theft Reward	\$30,000	4
3. Backup or Overflow of Sewers, Drains or Sumps	\$100,000	4
4. Brands and Labels	Included	4
5. Change in Temperature, Electrical Injury and Contamination by Refrigerant	\$50,000	5
6. Civil Authority	4 Weeks	5
7. Consequential Loss to Stock	Included	5
8. Contractual Penalties	\$50,000	5
9. Debris Removal	\$25,000	6
10. Deferred Payment	\$25,000	7
11. Dependent Properties Business Income US and Canada	\$250,000	7
All Other	\$100,000	7
12. Detached Trailers	\$25,000	8
13. Employee Dishonesty Including ERISA Compliance	\$50,000	8
14. Employees' Tools and Work Clothing	\$10,000	10
15. Extended Coverage on Property within 1,000 feet	Included	10
16. Extended Warranty Coverage	\$50,000	10
17. Fire Protection Equipment Recharge	Included	10
18. Forgery or Alteration	\$25,000	10
19. Foundations and Underground Pipes	Included	10
20. Inflation Guard- Building	Included	11
21. Lost Key	\$15,000	11
22. Marring and Scratching	Included	11
23. Money and Securities	\$25,000	11

	<u>Limit of Insurance</u>	<u>Page</u>
24. Money Orders and Counterfeit Currency	\$25,000	12
25. Newly Acquired or Constructed Property		
Buildings	\$2,000,000	12
Business Personal Property	\$1,000,000	12
26. Newly Acquired Locations- Business Income	\$250,000	13
27. Ordinance or Law	\$50,000	13
28. Personal Property in Transit	\$75,000	15
29. Pollution Clean Up and Removal	\$50,000	16
30. Preservation of Property	Included	16
31. Property Off Premises	\$100,000	16
32. Salespersons Samples	\$25,000	16
33. Seasonal Increase- Business Personal Property	Included	17
34. Tenant Glass	\$25,000	17
35. Theft Damage to Building	Included	17
36. Underground Water Seepage	\$50,000	18
37. Unintentional Property Reporting Errors	\$500,000	18
38. Utility Services- Direct Damage	\$50,000	18
Utility Services- Business Income	\$50,000	18
39. Water Damage, Other Liquids, Powder or Molten Material Damage	\$25,000	20
40. Worldwide Property Off-Premises	\$50,000	20

**B. COVERAGES PROVIDED UNDER A BLANKET LIMIT OF INSURANCE**      \$250,000      20

Unless otherwise noted, the Blanket Limit of Insurance shown above applies as a combined single limit of liability to all Coverages shown in Section III. B. of this Endorsement. The Blanket Limit of Insurance applies separately and only to each described location as shown in the Declarations. After loss, you may elect to apportion this Blanket Limit of Insurance to one or any combination of the Coverages shown, but under no circumstances will the aggregate apportionment or amount payable be permitted to exceed the Blanket Limit of Insurance shown above at any one insured location.

Coverages Included within the Blanket Limit of Insurance:

1. Accounts Receivable	20
2. Business Income, Extended Business Income and Extra Expense - (no deductible applies)	21
3. Claim Expenses	23
4. Electronic Data Processing Equipment - Special Coverage	23
5. Fine Arts	24
6. Fire Department Service Charge	24
7. Movement of Property	25
8. Outdoor Property	25
9. Personal Effects and Property of Others	25
10. Valuable Papers and Records	26

Business Income and Extra Expense – Special Provisions

When all or part of the Blanket Limit above is used to address covered Business Income and Extra Expense loss, the following additional provisions apply.

While insurance provided within the Blanket Limit of Insurance may be the only Business Income and Extra Expense coverage provided by the policy, additional Business Income and Extra Expense insurance and limits may also exist elsewhere as part of other policy provisions. When such additional limits exist, the insurance provided for Business Income and Extra Expense by this endorsement is intended to be primary to the extent you desire them to address covered loss.

When additional limits exist elsewhere and all or part of the Blanket Limit above is consumed by covered Business Income and Extra Expense loss, those additional limits found elsewhere may be used to satisfy the excess Business Income and Extra Expense loss under the terms of the coverage provisions applicable to such additional limits. Coinsurance or other specific provisions applying to such insurance provided elsewhere remain enforceable for that portion of your loss. However, when determining the amount of insurance carried for coinsurance purposes, the amount paid under the Blanket Limit above specifically for Business Income and Extra Expense shall be, for your benefit, added to the applicable limits of the Business Income and Extra Expense insurance provided elsewhere.

**Example #1 – Business Income and Extra Expense Loss in excess of collectible amount under the Blanket Limit of Insurance provided above when additional limits exist elsewhere.**

The policy includes this endorsement and a CP 00 30 – Business Income (and Extra Expense) Coverage Form. The Declarations show the Limit of Insurance provided under the CP 00 30 totals \$175,000, and that it carries a 90% Coinsurance requirement and a deductible of \$500. Investigation after the loss confirms that provisions **D.a.** and **D.b.** of CP 00 30 (representing the amount of insurance that you need to carry to equal 100% of your business income and extra expense exposure) totals \$425,000.

The adjusted covered loss is determined to be as follows:

Valuable Papers and Records - \$25,000  
Business Income and Extra Expense - \$300,000

**Loss Calculation:**

<u>This Endorsement:</u>	Blanket Limit of Liability:	\$250,000
	Less: Valuable Papers & Records Loss	<u>- 25,000</u>
	Remaining Available Blanket Limit of Liability	\$225,000
	Net Business Income & Extra Expense Loss Payable	\$225,000
	Gross Valuable Papers & Records Loss Payable	\$25,000
	Less Deductible	<u>- 500</u>
	Net Valuable Papers & Records Loss Payable	<u>\$ 24,500</u>
	Total Amount Due this Endorsement	\$249,500

CP 00 30: The unaccounted for (and unpaid) remainder of the Loss of Income and Extra Expense Loss = \$75,000 (gross loss \$300,000 less \$225,000 payment from this endorsement as shown above). Therefore, the net potential business income and extra expense payment under the CP 00 30 totals \$75,000.

Since the CP 00 30 includes a coinsurance clause, to determine the actual amount payable under the CP 00 30, the adequacy of the total amount of business income and extra expense insurance carried must be determined. In this example, we add the amount of insurance carried under the CP 00 30 (\$175,000) to the amount of the business income and extra expense actually paid under this endorsement (\$225,000). Thus, the amount of Business Income and Extra Expense Insurance carried under the policy for this “occurrence” totals \$400,000.

Since the amount of insurance carried (\$400,000) exceeds the amount you were required to carry (\$425,000 X 90% or \$382,500), the coinsurance requirement has been satisfied and the remaining \$75,000 business income and extra expense loss is payable under the CP 00 30. Please refer to the provisions and examples as provided within the CP 00 30 as this is only one example - different situations will have different results. All other provisions of the CP 00 30 remain controlling and unaffected by the above.

**C. Broadened Valuation Clause- Determining the Value of Covered Property**

30-33

**II. DEDUCTIBLE**

We will not pay for loss or damage in any one “occurrence” until the amount of loss or damage exceeds the amount of the deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance for all coverages listed under Section I. Coverages. A single deductible applies regardless of the number of coverages or insured locations involved in an “occurrence”. No deductible applies to the Blanket Coverage for Business Income and Extra Expense or other coverages where specifically designated.

**III. COVERED PROPERTY**

**A. SCHEDULED COVERAGES**

**1. Additional Covered Property and Increased Limits of Liability**

The special limits section **3.** under **C. Limitations** of the CP 10 30 is deleted and replaced by the following:

The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or

damage to all property in that category. The special limit applies to any one "occurrence" of "theft", regardless of the types or number of articles that are lost or damaged in that "occurrence". The special limits are:

- a. \$2,500 for furs, fur garments and garments trimmed with fur.
- b. \$2,500 for jewelry, watches, watch movements, jewels and pearls. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$35,000 for precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals.
- d. \$2,500 for patterns, dies, molds and forms owned by others. This special limit does not apply to those patterns, dies, molds and forms owned by you or for which you are responsible under written contract existing before loss.
- e. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation does not apply to Business Income coverage or to Extra Expense coverage.

All other provisions of **C. Limitations of CP 10 30** remain unchanged.

## 2. Arson and Theft Reward

Under **Section A.4. Additional Coverages of CP 00 10**, the following is added:

### g. Arson and Theft Reward

- 1) In the event that a covered fire loss was the result of an act of arson, or you suffered a covered "theft" loss, we will reimburse you up to \$30,000 for rewards you pay for information leading to convictions for that act of arson or "theft".
- 2) The Deductible and Coinsurance Condition do not apply to this Additional Coverage. This coverage is an additional amount of insurance.

## 3. Backup or Overflow of Sewers, Drains or Sumps

Under **Section A.4. Additional Coverages of CP 00 10**, the following is added:

### h. Backup or Overflow of Sewers Drains or Sumps

- 1) We will pay for direct physical loss or damage to Covered Property at an insured location, caused by or resulting from water, which backs up or overflows from a sewer, drain or sump.
- 2) Under Section **B.1. Exclusions of CP 10 30**, exclusion **g.(3)** is deleted.
- 3) Regardless of the number of insured locations, the most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at insured locations is \$100,000, or the amount shown in the Additional Property Coverage Schedule. This coverage is not an additional amount of insurance.
- 4) For the purposes of this policy, the term water shall mean water, including waterborne substances or materials.

### **THIS IS NOT FLOOD INSURANCE OR PROTECTION FROM AN INUNDATION OF SURFACE WATER, HOWEVER CAUSED.**

This coverage is intended to provide insurance for backup or overflow of sewers, drains or sumps when such event is a localized incident - not part of a general, widespread flood water event. When otherwise excluded loss by water as provided for within CP 10 30, Exclusion **1.g. Water** accompanies Backup or Overflow of Sewer, Drains or Sumps, this Additional Coverage does not apply and the provisions of Exclusion **1.g. Water** control, and no coverage is provided for any part of the loss.

## 4. Brands and Labels

Under **Section A.5. Coverage Extensions of CP 00 10**, the following is added:

### g. Brands and Labels

If Covered Property that has a brand or label is damaged by a Covered Cause of Loss, and we elect to take all or any part of the property at an agreed or appraised value, you may elect to extend the insurance that applies to Your Business Personal Property to pay expenses incurred to:

- 1) Stamp salvage on the property or its container, if the stamp will not physically damage the property; or
- 2) Remove the brand or label, if doing so will not physically damage the property or its containers, and re-label the property or its containers to

comply with the law.

Under all circumstances, we retain the option of paying the full value of the damaged property as set forth within the policy, and taking the property for salvage purposes. This applies whether or not you alter the brand or label as prescribed above.

Payment of these expenses is included within the applicable Limit of Insurance.

#### 5. Change in Temperature, Electrical Injury and Contamination By Refrigerant

Under **Section A.4. Additional Coverages** of CP 00 10, the following is added:

##### i. Change in Temperature, Electrical Injury and Contamination By Refrigerant

###### 1) Coverages

###### a) Change in Temperature

We will pay for damage to covered property caused by a change in temperature or humidity resulting from a mechanical breakdown or malfunction of heating, refrigerating, cooling or humidity control equipment at an insured location.

###### b) Electrical Injury

We will pay for damage to covered property caused by artificially generated electric current, other than electrical arcing, which damages, destroys or otherwise disturbs electrical devices, appliances or wires.

###### c) Contamination By Refrigerant

We will pay for contamination by refrigerant from refrigerating, cooling or humidity control apparatus or equipment.

###### d) These Additional Coverages are not subject to the terms of Exclusions **B.2.a** and **2.d.6)** and **2.d.7)a)** and **b)** of CP 10 30 to the extent that such exclusions would conflict with the provisions of these Additional Coverages.

###### 2) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at an insured location is \$50,000. This limit will apply to all loss or damage proximately caused by the same event, whether such loss or damage results from change in temperature, electrical injury or contamination by

refrigerant or any combination of the three.

Payment under this Additional Coverage is included within the applicable Limit of Insurance.

#### 6. Civil Authority

Under **Section A.5. Additional Coverages** of CP 00 30, **a. Civil Authority** is replaced with the following:

##### a. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to a 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 four consecutive weeks after coverage begins.

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

- 1) 4 consecutive weeks after the time of that action; or
- 2) When your Business Income coverage as provided above, ends.

This is additional insurance.

#### 7. Consequential Loss to Stock

Under **Section A.5. Coverage Extensions** of CP 00 10, the following is added:

##### h. Consequential Loss to Stock

- 1) You may extend the insurance that applies to Your Business Personal Property to apply to the reduction in value of the remaining parts of "stock" that are physically undamaged but are unmarketable as a complete product because of direct physical loss or damage from a Covered Cause of Loss to other parts of covered "stock" at an insured location.
- 2) Should it be determined that such "stock" retains only a salvage value, we retain the option of paying the full value of the "stock" as agreed within this policy, and taking the damaged property for salvage purposes.
- 3) Payment under this Coverage Extension is included within the applicable Limit of Insurance.

#### 8. Contractual Penalties

Under **Section A.5. Coverage Extensions** of CP 00 10, the following is added:

**i. Contractual Penalties**

If this policy covers "Business Income", you may extend that insurance to apply to penalties that are imposed by a written contract between you and your customers.

- 1) These penalties must result solely from your failure to timely deliver your product according to contract terms;
- 2) Such failure must result solely from the direct physical loss or damage by a Covered Cause of Loss to Covered Property; and
- 3) Such penalties must have been paid to your customer in "money".
- 4) The written contract must be in effect prior to the date of the loss.

The most we will pay under this Coverage Extension is \$50,000 per "occurrence". This Extension is an additional amount of insurance.

**9. Debris Removal**

Under **Section A.4. Additional Coverages** of CP 00 10, **a. Debris Removal**, paragraphs **4)** and **5)** are replaced by the following and paragraphs **6)** and **7)** are added:

- 4) We will pay for debris removal expense, for each location, in any one "occurrence" of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
  - a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

**5) Examples**

The following examples assume that there is no coinsurance penalty.

**Example #1**

Limit of Insurance	\$200,000
Amount of Deductible	\$500
Amount of Loss	\$125,000
Amount of Loss Payable	\$124,500
	(\$125,000 - \$500)
Debris Removal Expense	\$25,000
Debris Removal Expense Payable	\$25,000
	(\$25,000 is 20% of \$125,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$124,500 + \$25,000 = \$149,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph **3)**.

**Example #2**

Limit of Insurance	\$200,000
Amount of Deductible	\$500
Amount of Loss	\$180,000
Amount of Loss Payable	\$179,500
	(\$180,000 - \$500)
Debris Removal Expense	\$50,000
Debris Removal Expense Payable	
	Basic Amount \$20,500
	Additional Amount \$25,000

The basic amount payable for debris removal expense under the terms of Paragraph **3)** is calculated as follows: \$180,000 (\$179,500 + \$500) x .25 = \$45,000; capped at \$20,500. The cap applies because the sum of the loss payable (\$179,500) and basic amount payable for debris removal expense (\$20,500) cannot exceed the Limit of Insurance (\$200,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **4)**, because the debris removal expense (\$50,000) exceeds 25% of the loss payable plus the deductible (\$50,000 is 28% of \$180,000), and because the sum of the loss payable and debris removal expense (\$179,500 + \$50,000 = \$229,500) would exceed the Limit of Insurance (\$200,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under paragraph **4)**. Thus the total payable for debris removal expense in this example is \$45,500; \$4,500 of the debris removal expense is not covered.

- 6) We will also pay up to \$1,000 for the costs you incur at each premises to remove debris of outdoor trees, shrubs or plants that are blown onto your premises by wind.
- 7) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at an insured location is \$25,000, or the amount shown in the Additional Property Coverage Schedule. This is additional insurance.

#### 10. Deferred Payment

Under **Section A.4. Additional Coverages** of CP 00 10, the following is added:

##### j. Deferred Payment

- 1) We will pay for your interest in lost or damaged Personal Property sold by you under a written lease, installment sale, deferred payment or conditional sales contract. The loss or damage must be caused by a Covered Cause of loss and occur after delivery of the property to the buyer.
- 2) The most we will pay under this Additional Coverage is the least of:
  - a) The total amount of unpaid installments with respect to property described in paragraph 1 above;
  - b) The extent of your interest in leased property;
  - c) The actual cash value of the property at the time loss or damage occurs;
  - d) The cost to repair the property with material of like kind and quality; or
  - e) \$25,000.
- 3) This additional coverage does not apply to loss due to theft or conversion after the buyer has taken possession of the property.

#### 11. Dependent Properties Business Income

Under **Section A.4. Additional Coverages** of CP 00 10, the following is added:

##### k. Dependent Properties Business Income

- 1) We will pay the actual loss of "business income" you sustain due to the necessary "suspension" of your "operations" during the "dependent property period of restoration". The "suspension" must be caused by direct physical loss of or damage to "dependent property" caused by or

resulting from a Covered Cause of Loss.

- 2) We will pay the actual and necessary "Extra Expense" you incur due to direct physical loss of or damage to "dependent property" caused by or resulting from any Covered Cause of Loss.
- 3) Except as provided otherwise, to calculate recoverable loss under this coverage, we will use the terms and provisions as set forth under the Business Income and Extra Expense coverage found elsewhere in this endorsement.
- 4) Under this Additional Coverage, the definition of "Extra Expense" is replaced with the following:
 

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

  - a) To avoid or minimize the "suspension" of business and to continue "operations"; or
  - b) To minimize the "suspension" of business if you cannot continue "operations".
- 5) The Coverage Territory for "dependent property" under this Additional Coverage is expanded to all parts of the world. However, the Coverage Territory does not include any nation, state or territory from which importing products into the United States, or its territories, is prohibited by any Federal statute or regulation or agency of the Federal Government.
- 6) We will reduce the amount of your "business income" loss, other than "extra expense", to the extent you can resume "operations" in whole or in part by using any other available:
  - a) Source of materials; or
  - b) Outlet for your products.
- 7) Regardless of the number of "dependent properties" affected by an occurrence or the number of insured locations involved:
  - a) \$250,000 is the most we will pay under this Additional Coverage for

loss you sustain from loss of or damage to “dependent property” within the United States, its territories or Canada due to one occurrence;

- b) \$100,000 is the most we will pay under this Additional Coverage for loss you sustain from loss of or damage to “dependent property” anywhere in the coverage territory other than as described in paragraph (a) above.
- c) As part of your Duties In the Event of Loss or Damage, you are responsible to research, assess, present and document your claim for any loss presented under this “dependent property” coverage. As part of your documentation, you must include reliable data that permits us to verify your claim.

## 12. Detached Trailers

Under **Section A.5. Coverage Extensions** of CP 00 10, section **f. Non-Owned Detached Trailers, paragraph (3)** is replaced by the following:

- 3) The most we will pay for loss or damage under this Coverage Extension after an “occurrence” is \$25,000, unless a higher limit is shown in the Declarations.

Payment under this Coverage Extension is included within the applicable Limit of Insurance.

## 13. Employee Dishonesty including ERISA Compliance

Under **Section A.4. Additional Coverages** of CP 00 10, the following is added:

### I. Employee Dishonesty including ERISA Compliance

- 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 partners) with the manifest intent to:
  - a) Cause you to sustain loss or damage; and also
  - b) Obtain financial benefit for:
    - (1) Any “employee”; or
    - (2) Any other person or organization intended by the “employee” to receive that benefit.

- 2) With respect to this Additional Coverage only, Exclusion **B.2.h.** under CP 10 30 does not apply. The following exclusions are added for this Additional Coverage:

We will not pay for loss or damage:

- a) Resulting from any dishonest or criminal act committed by you or your partners, or any of your “employees” (except as provided for in paragraph 1) above, managers, directors, trustees, officers, administrators or persons of similar nature or responsibilities, whether acting alone or in collusion with any other persons.
- b) Where the only proof of which as to its existence or amount is:
  - (1) An inventory computation; or
  - (2) A profit and loss computation.
- c) Involving the loss of salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other “employee” benefits or remuneration that is typically earned in the course of employment. This exclusion applies whether or not:
  - (1) You offer the type of benefit dishonestly acquired to any of your “employees”, or
  - (2) The dishonest “employee” himself ordinarily qualifies for the type of benefit illicitly obtained.

For this exclusion to apply, the undue benefit must have been procured from funds or accounts specifically set aside for salary or other remuneration (such as a payroll account).

- d) Involving unresolved business dealings or disputes where employee dishonesty is alleged but not proven. For claims of this nature it may be necessary for us to await the outcome of legal proceedings between the parties to ascertain whether or not a valid claim exists.
- e) Sustained by uninsured third party entities even when your “employee” is providing services to the third party – whether or not for a fee.

- f) From consequential loss or damage, including but not limited to loss of income, loss of market or extra expense.
- 3) All loss or damage:
    - a) Caused by one or more persons; or
    - b) Involving a single act or series of related acts;
 

is considered one "occurrence" even when such acts occur at different times, through different schemes, and/or with different customers or other third parties.
  - 4) 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.
  - 5) This Additional Coverage does not apply to any "employee" immediately upon discovery by:
    - a) You; or
    - b) 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.
  - 6) We will pay only for covered loss or damage discovered and reported to us no later than one year from the end of the Policy Period.
  - 7) 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.
  - 8) The insurance under paragraph 7) above is part of, not in addition to, the Limit 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.
  - 9) You may extend this coverage to apply to loss caused by any "employee" while temporarily outside the Coverage Territory for a period of not more than 90 days.
  - 10) The most we will pay for loss or damage in any one "occurrence" is \$50,000. The amount payable under this Additional Coverage is additional insurance.
  - 11) Welfare and Pension Plan ERISA Compliance. In compliance with certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA):
    - a) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for the Employee Dishonesty coverage that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
    - b) If the Insured first named in the Declarations is an entity other than a Plan, any payment we make to that insured for loss sustained by any Plan will be held by the Insured for the use and benefit of the Plan(s) sustaining loss.
    - c) If two or more Plans are insured under this insurance, any payment we make for loss:
      - (1) Sustained by two or more Plans; or
      - (2) Of commingled funds or other property of two or more Plans that arises out of one "occurrence" because of dishonest acts of "employees", is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.

- d) The Deductible Condition, Section II of this endorsement, does not apply to loss sustained by any Plan subject to ERISA, which is insured under this insurance.

#### 14. Employees' Tools and Work Clothing

Under Section A.4. Additional Coverages of CP 00 10, the following is added:

##### m. Employees' Tools and Work Clothing

- 1) We will pay for direct physical loss of or damage to tools and work clothing of your "employees" when damaged by a Covered Cause of Loss while such tools and work clothing are located at an insured location, your job sites or while "in transit" to and from your job sites, while in your vehicle.
- 2) The most we will pay for loss or damage under this Additional Coverage is \$10,000 per "occurrence", but not more than \$500 for any one tool or item of clothing. The amount payable under this Additional Coverage is additional insurance.
- 3) The Coinsurance condition does not apply to this Additional Coverage.

#### 15. Extended Coverage on Property – within 1000 ft.

Under the **Building and Personal Property Coverage Form, CP 00 10** and **Causes of Loss – Special Form, CP 10 30** all provisions that limit the location of property to "within 100 feet" of an insured location are extended to "within 1000 feet" of an insured location.

#### 16. Extended Warranty Coverage

Under Section A.4. Additional Coverages of CP 00 10, the following is added:

##### n. Extended Warranty Coverage

- 1) If a covered cause of loss results in a direct total physical loss to property covered under this policy, at a premises shown in the Declarations, we will pay the un-used pro-rata portion of the non-refundable purchase price for extended warranties or service contracts which you purchased on such damaged property.
- 2) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$50,000.

#### 17. Fire Protection Equipment Recharge

Under Section A.4. Additional Coverages of CP 00 10, the following is added:

##### o. Fire Protection Equipment Recharge

We will pay expenses you incur to recharge or refill your fire protection equipment due to the leakage or discharge:

- 1) To prevent or control loss;
- 2) Accidentally; or
- 3) As a result of malfunction of the equipment.

The Deductible does not apply to this Additional Coverage. Payment under this Additional Coverage is included within the applicable Limit of Insurance.

#### 18. Forgery and Alteration

Under Section A.4. Additional Coverages of CP 00 10, the following is added:

##### p. Forgery and Alteration

- 1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- 2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- 3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$25,000 per "occurrence". The amount payable under this Additional Coverage is additional insurance.

#### 19. Foundations and Underground Pipes

Under Section A.5. Coverage Extensions of CP 00 10, the following is added:

##### j. Foundations and Underground Pipes

You may extend the insurance that applies to Building to apply to loss or damage to:

- 1) Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - a) The lowest basement floor; or
  - b) The surface of the ground, if there is no basement;

- 2) Underground pipes, flues and drains; and
- 3) The cost of excavating, grading, backfilling or filling,

when such loss or damage is caused by a Covered Cause of Loss.

The most we will pay for loss under this Coverage Extension is the applicable building Limit of Insurance.

Payment under this Coverage Extension is included within the applicable Limit of Insurance.

Under **Section A.2. Property Not Covered** of CP 00 10, paragraphs **f.**, **g.**, and **m.** do not apply to this coverage.

**20. Inflation Guard – Building**

Under **Section C. Limits of Insurance** under CP 00 10, the following is added:

**Inflation Guard – Building**

- 1) The Limit of Insurance for Building will automatically increase by 5% annually or by the percentage shown in the Declarations.
- 2) The amount of increase will be:
  - a) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times:
  - b) The percentage of annual increase expressed as a decimal (example 5% is .05), times
  - c) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

Applicable Limit of Insurance	\$100,000
Annual Percentage increase	5%
# of days since last change	146
Amount of increase	\$ 2,000
$\$100,000 \times .05 \times 146/365 = \$2,000$	

**21. Lost Key**

Under **Section A.4. Additional Coverages**, of CP 00 10, the following is added:

**q. Lost Key**

- 1) We will pay for consequential loss to keys and locks if a master key or similar item of an electronic nature is lost or damaged as a result of a covered cause of loss.

- 2) When caused by a loss event as described above, we will pay for the actual cost to replace keys, adjust or reset locks to accept new keys, and if required, new locks, including the cost of installation.

- 3) The most we will pay for lost keys, required adjustment or resetting and locking devices including installation is \$5,000 for any one "occurrence" and \$15,000 in any one policy year per insured location. This coverage is additional insurance.

- 4) Exclusion **B.2.h** and Limitation **C.1.e.** of the Causes of Loss Form CP 10 30 do not apply to this additional coverage.

**22. Marring and Scratching**

Under **Section A.5. Coverage Extensions** of CP 00 10, the following is added:

**k. Marring and Scratching**

- 1) You may extend the insurance that applies to Your Business Personal Property to apply to damage caused directly by sudden and accidental marring and scratching of:
  - a) Your "stock";
  - b) Your printing plates; and
  - c) Property of others that is in your care, custody or control.
- 2) This coverage and Cause of Loss does not apply to:
  - a) Property at other than at an insured location; and
  - b) Property in transit.

Payment under this Coverage Extension is included with Your Business Personal Property Limit of Insurance.

**23. Money & Securities**

Under **Section A.4. Additional Coverages** of CP 00 10, the following is added:

**r. Money & Securities**

- 1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any "employee" having use and custody of the property, at an insured location, or "in transit" between any of these places, resulting directly from:
  - a) "Theft"
  - b) Disappearance; or
  - c) Destruction.

- 2) The most we will pay for loss in any one "occurrence" is \$25,000. The amount payable under this Additional Coverage is additional insurance.
- 3) All loss:
  - a) Caused by one or more persons; or
  - b) Involving a single act or series of related act; is considered one "occurrence" regardless of the number of insured locations involved.
- 4) You must keep records of all "money" and "securities" so we can verify the amount of loss or damage.
- 5) We will not pay for loss:
  - a) Resulting from accounting or arithmetical errors or omissions;
  - b) Due to the giving or surrendering of property in any exchange or purchase; or
  - c) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

#### 24. Money Orders and Counterfeit Currency

Under **Section A.4. Additional Coverages**, of CP 00 10, the following is added:

##### s. Money Orders and Counterfeit Currency

- 1) We will pay for your loss that directly results from you accepting the following, in good faith, in exchange for merchandise, money or services:
  - a) Money orders, including counterfeit money orders, purporting to have been issued by any United States or Canadian post office, express company or national, state or Canadian chartered bank, not paid upon presentation; or
  - b) Counterfeit United States or Canadian paper currency.
- 2) The most we will pay for loss, damage or expense in any one occurrence under this Additional Coverage, regardless of the number of items contributing to the loss, is \$25,000.

#### 25. Newly Acquired or Constructed Property

Under **Section A.5. Coverage Extensions** of CP 00 10, **a. Newly Acquired or**

**Constructed Property** is replaced by the following:

##### 1) Buildings

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

- a) Your new buildings while being built at an insured location; and
- b) Buildings you acquire at locations, other than at an insured location, intended for:
  - (1) Similar use as the building described in the Declarations; or
  - (2) Use as a warehouse.
- c) The most we will pay for loss or damage under this Coverage Extension is \$2,000,000 per "occurrence". This Coverage Extension provides an additional amount of insurance

##### 2) Your Business Personal Property

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

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

b) The most we will pay for loss or damage under this Extension is \$1,000,000 per occurrence at each insured location. This Coverage Extension provides an additional amount of insurance.

c) This extension does not apply to:

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

- d) This insurance may not be used to otherwise increase your Business Personal Property Limit. In particular, it does not apply to personal property you acquire as part of your usual and customary business dealings whether or not such acquisition was related to anticipated seasonality demands. Under the terms of this policy, such property is not considered newly-acquired, but falls within the provisions for Business Personal Property.

**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) 180 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.
- 4) We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**26. Newly Acquired Locations – Business Income and Extra Expense**

Under **Section A.5. Coverage Extensions** of CP 00 10, the following is added:

**I. Newly Acquired Locations – Business Income and Extra Expense**

- 1) You may extend the terms of this policy’s insurance covering “business income” and “extra expense” (not including Extended Business Income) to apply to property at any location you acquire, other than at fairs or exhibitions.
- 2) The most we will pay for loss under this Coverage Extension is \$250,000 per “occurrence” at each location regardless of the number of buildings you acquire. This Coverage Extension provides an additional amount of insurance.
- 3) With respect to insurance on or at each newly acquired location, coverage will end when any of the following first occurs:
  - a) This policy expires;
  - b) 180 days expire after you acquire the property; or

- c) You report values to us.

- 4) We will charge you additional premium for values reported from the date you acquire the property.

- 5) We will use the terms and provisions as set forth under the Business Income and Extra Expense coverage found elsewhere in this endorsement to calculate recoverable loss under this coverage. However, this coverage does not include loss for Extended Business Income as set forth therein.

**27. Ordinance or Law Coverage**

Under **Section A.4. Additional Coverage** of CP 00 10, **e**, Increased Cost of Construction is replaced by the following:

**e. Ordinance or Law Coverage**

- 1) This Additional Coverage applies only if the following is satisfied:

The Ordinance or Law:

- a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at an insured location; and
- b) Is in force at the time of loss.
- c) Was not in force at the time the involved construction was completed.

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

- 2) Coverage Provided

**a) Coverage for Loss To The Undamaged Portion Of The Building**

- (1) With respect to the building that has sustained covered direct physical damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.
- (2) Coverage for the undamaged portion of the building is

included within the Limit of Insurance shown in the Declarations as applicable to the covered building. This Additional Coverage does not increase the Limit of Insurance.

**b) Demolition Cost Coverage**

- (1) With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.
- (2) The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

**c) Increased Cost of Construction Coverage**

- (1) With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:
  - (a) Repair or reconstruct damaged portions of that building; and/or
  - (b) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

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

- (2) However, 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.
- (3) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.
- (4) The Coinsurance Additional Condition does not apply to Increased Cost of

Construction Coverage.

**3) Loss Payment**

- a) When there is a loss in value of an undamaged portion of a building due to enforcement of an ordinance or law, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- (1) If the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- (a) The amount you would actually spend to repair, rebuild or reconstruct the building, but not 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; or

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

- (2) If the property is not repaired or replaced, we will not pay more than the lesser of:

- (a) The actual cash value of the building at the time of loss; or

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

- b) The most we will pay for all covered losses for Demolition Cost Coverage and Increased Cost of Construction Coverage, is the Limit of Insurance shown below in paragraph 4). Subject to this Limit of Insurance, the following loss payment provisions apply:

- (1) For Demolition Cost Coverage, we will not pay more than the amount you actually spend to demolish and clear the site of an insured location.

- (2) With respect to the Increased Cost of Construction Coverage, we will not pay for the increased cost of construction:
    - (a) Until the property is actually repaired or replaced, at the same or another premises; and
    - (b) 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) 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.
  - d) 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.
- 4) The most we will pay for loss under Demolition Cost Coverage and Increased Cost of Construction Coverage per occurrence is a combined limit of \$50,000 per insured location. The amount payable under this Additional Coverage is additional insurance.
- 5) We will not pay any costs:
- a) Due to an ordinance or law that:
    - (1) You were required to comply with before the loss, even when the building was undamaged; and
    - (2) You failed to comply with.
  - b) Associated with enforcement of any ordinance or law which:
    - (1) Requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
    - (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", "fungus", wet or dry rot or bacteria.
- 6) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- 7) The costs addressed in Loss Payment, Valuation Conditions and the Replacement Cost Optional Coverage, in CP 00 10, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage as stated in paragraph 4) above, is not subject to such limitation.
- 28. Personal Property in Transit**
- Under **Section F. Additional Coverage Extensions** of CP 10 30, **1. Property in Transit** is replaced by the following:
- a. You may extend the insurance that applies to Business Personal Property to apply to your property or property of others you have picked up from others, or property of others, which you are delivering. This Extension applies to property while it is "in transit" more than 1000 feet from an insured location and while between points in the Coverage Territory while:
    - 1) In a vehicle owned, leased or operated by you; or
    - 2) In the custody of a common carrier, contract carrier or registered mail carrier.
  - b. This Extension does not apply to the following property:
    - 1) Shipments that belong to others that you are transporting for a fee;
    - 2) Property while waterborne;
    - 3) Live animals; or
    - 4) Salesperson's samples.
  - c. Under Section B. Exclusions, Exclusions 1.b. and 1.g. do not apply to this Coverage Extension.
  - d. The most we will pay for loss or damage

under this Extension in any one "occurrence" regardless of the number of shipments involved is \$75,000.

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

## 29. Pollutant Clean Up and Removal

Under **Section A.4. Additional Coverages of CP 00 10, d. Pollutant Clean Up and Removal** is replaced by the following:

We will pay your expense to extract "pollutants" from land or water at an insured location 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 insured location is \$50,000 per "occurrence". In addition, \$50,000 is the most we will pay for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy. This coverage is an additional amount of insurance.

## 30. Preservation of Property

Under **Section A.4. Additional Coverages of CP 00 10, b. Preservation of Property** is replaced by the following:

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

- a. while it is being moved or while temporarily stored at another location; and
- b. Only if the loss or damage occurs within 90 days after the property is first moved.

Payment under this Addition Coverage is included within the applicable Limit of Insurance.

## 31. Property Off Premises

Under **Section A.5. Coverage Extensions of CP 00 10, d. Property Off-Premises** is replaced by the following:

- a. You may extend the insurance provided by this endorsement to apply to your Business Personal Property and Business Personal Property of Others to that property while it is away from an insured location, if it is:

- 1) Temporarily at a location you do not own, lease or operate;

Under this provision, to qualify for coverage you must demonstrate that the involved property:

- a) Had been situated at an insured location immediately before it went off-site and suffered loss or damage, and
- b) Had not been away from an insured location for more than 90 consecutive days immediately preceding loss or damage;

- 2) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or

- 3) At any fair, trade show or exhibition.

- b. This Extension does not apply to property:

- 1) In or on a vehicle; or

- 2) In the care, custody or control of your salesperson, unless the property is in such care, custody or control at a fair, trade show or exhibition.

- c. The most we will pay for loss or damage under this Extension is \$100,000 per "occurrence". This Coverage Extension provides an additional amount of insurance.

## 32. Salesperson's Samples

Under **Section A.4. Additional Coverages of CP 00 10**, the following is added:

### t. Salesperson's Samples

- 1) We will pay for direct physical loss or damage caused by a Covered Cause of Loss to samples of your "stock" in trade (including containers) while:

- a) In the custody of your sales representative, agent or any "employee" who travels with sales samples;

- b) In your custody while acting as a sales representative; or

- c) "In transit" between premises that you own, lease or operate and your sales representative.

- 2) The most we will pay for loss or damage under this Additional Coverage is \$25,000 per "occurrence". The amount payable under this Additional Coverage is additional insurance.
- 3) We will not pay for any loss to the following property:
  - a) Property which has been sold;
  - b) Jewelry, precious or semi-precious stones, gold, silver, platinum or other precious metals or alloys;
  - c) Fur, fur garments or garments trimmed with fur; or
  - d) Any property while waterborne.
- 4) Under **Section B. Exclusions of CP 10 30, Exclusions 1.e., 2.a. and 2.d.4), 5) and 6)** do not apply to this Additional Coverage.
- 5) We will not pay for any loss or damage caused by "theft" from an unattended vehicle, except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

### 33. Seasonal Increase – Business Personal Property

- 1) The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
- 2) This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
  - a) The 12 months immediately preceding the date the loss or damage occurs; or
  - b) The period of time you have been in business as of the date the loss or damage occurs.

### 34. Tenant Glass

Under **Section A.4. Additional Coverages of CP 00 10**, the following is added:

#### u. Tenant Glass

- 1) If glass in a building you occupy, but do not own, is damaged, we will pay for direct physical loss of or damage to glass.
- 2) This insurance includes replacement of lettering, artwork, ornamentation, sensors or other items permanently affixed to, or a part of a building at an

insured location.

- 3) For coverage to apply, the glass must be in your care, custody or control and repairs must be made at your expense.
- 4) We will also pay for necessary:
  - a) Expenses incurred to put up temporary plates or board up openings when repair or replacement of the damaged glass is delayed;
  - b) Repair or replacement of encasing frames; and
  - c) Expenses incurred to remove or replace obstructions to repair or replace the damaged glass.

This does not include the cost of removing, replacing or rebuilding window displays.
- 5) Paragraph **B. Exclusions of CP 10 30** does not apply to this Additional Coverage, except for:
  - a) Paragraph **B.1.b. Earth Movement**;
  - b) Paragraph **B.1.c. Governmental Action**;
  - c) Paragraph **B.1.d. Nuclear Hazard**;
  - d) Paragraph **B.1.f. War & Military Action**; and
  - e) Paragraph **B.1.g. Water**.
- 6) We will not pay for loss or damage caused by or resulting from:
  - a) Wear and tear;
  - b) Hidden or latent defect;
  - c) Corrosion; or
  - d) Rust;

whatever it's origin or cause.
- 7) The most we will pay for loss or damage in an "occurrence" under this Additional Coverage is \$25,000. The amount payable under this Additional Coverage is additional insurance.

### 35. Theft Damage to Building

Under **Section A.4. Additional Coverages of CP 00 10**, the following is added:

#### v. Theft Damage to Building

- 1) When repairs are made at your expense, we will pay for loss or damage to:
  - a) That part of any unowned building containing Your Business Personal Property; or
  - b) Unowned equipment within the building used to maintain or

service the building;

caused directly by "theft" or attempted "theft".

- 2) This Additional Coverage is primary but applies only to an insured location where you are a tenant and the property is in your care, custody or control.
- 3) This Additional Coverage is included within the Limit of Insurance applicable to Your Business Personal Property at the insured location of loss, and does not increase that Limit of Insurance.

### 36. Underground Water Seepage

Under **Section A.4. Additional Coverages** of CP 00 10, the following is added:

#### w. Underground Water Seepage

- 1) We will pay for direct physical loss or damage to Covered Property at an insured location, caused by or resulting from water under the ground surface pressing on, or flowing or seeping through:
  - a) Foundations, walls, floors or paved surfaces;
  - b) Basements, whether paved or not; or
  - c) Doors, windows or other openings.
- 2) Under Section **B.1. Exclusions** of CP 10 30, exclusion **g.4)** is deleted.
- 3) The most we will pay for any loss under this Additional Coverage is \$25,000 at each insured location. The amount payable under this Additional Coverage is additional insurance.
- 4) For the purpose of this policy, the term water shall mean water, including waterborne substances or materials.

**THIS IS NOT FLOOD INSURANCE OR PROTECTION FROM AN INUNDATION OF SURFACE WATER, HOWEVER CAUSED.**

This coverage is intended to provide water seepage coverage when such event is a localized incident and not part of a general, widespread flood water event. When otherwise excluded loss by water as provided for within CP 10 30, Exclusion **1.g.** Water accompanies Underground Water Seepage as provided for above-whether occurring before, after, or at the same time as Underground Water Seepage, this additional Coverage does

not apply and the provisions of Exclusion **1.g.** Water control, and no coverage is provided for any part of the loss.

### 37. Unintentional Property Reporting Errors

Under **Section A.4. Additional Coverages** of CP 00 10, the following is added:

#### x. Unintentional Property Reporting Errors

- 1) If "you" unintentionally failed to report or describe a location to "us", coverage provided by this policy will not be invalid. However, "you" must report such errors or omission to "us" in writing as soon as you discover them. "You" also agree to pay the additional premium that would have been earned by "us" if the location was correctly reported to "us".
- 2) This Additional Coverage only applies to direct loss or damaged caused by a Covered Cause of Loss at the omitted location and does not include any coverage for the perils of flood or earthquake even if flood and earthquake coverage is purchased for this or another policy.
- 3) You must provide reasonable documentation and clear and convincing evidence explaining the cause of the oversight.
- 4) For any location you have failed to report to us, this coverage will end when any of the following first occurs:
  - a) This policy expires; or
  - b) You report values to us.
- 5) The most we will pay for any loss under this Additional Coverage in any one policy period regardless of the number of occurrences or reporting errors or omissions is \$500,000. This coverage is additional insurance.
- 6) This Additional Coverage does not apply to a loss that is covered under Newly Acquired or Constructed Property coverage.

### 38. Utility Services

Under **Section A.4. Additional Coverages** of CP 00 10, the following is added:

#### y. Utility Services

- 1) **Utility Services – Direct Physical Loss or Damage**
  - a) We will pay for loss of or damage to Covered Property caused by the interruption of service to an insured location. The interruption

must result from direct physical loss or damage by a Covered Cause of Loss to property not at an insured location that provides the services shown below in paragraph 3) below. This coverage does not include loss due to spoilage.

- b) The most we will pay for any loss under this Additional Coverage is \$50,000 per "occurrence" at each insured location.

## 2) Utility Services – Loss of Income or Extra Expense

- a) We will pay for loss of "business income" or "extra expense" caused by the interruption of service at an insured location. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not at an insured location that provides the services shown in paragraph 3) **Services** below.

We will only pay for loss you sustain after the first 24 hours following the direct physical loss or damage to the property described above.

- b) To calculate recoverable loss under this coverage, we will use the terms and provisions as set forth under the Business Income and Extra Expense coverage found elsewhere in this endorsement. However, this coverage does not include loss for Extended Business Income as set forth therein.
- c) The most we will pay for loss or damage under this Additional Coverage is \$50,000 per "occurrence" at each insured location.

**The following terms apply to both paragraphs 1) and 2) above:**

### 3) Services:

- a) "Water Supply Services", meaning the following types of property supplying water to an insured location:
  - (1) Pumping stations; and
  - (2) Water mains.

But "Water Supply Services" do not include aquifers, reservoirs, holding or draw tanks, or any

other unnamed part of a water supply system.

- b) "Communication Supply Services", meaning the following types of property supplying communication services, including but not limited to telephone, radio, microwave or television services to an insured location, such as:

- (1) Communication transmission lines, including optic fiber transmission lines;
- (2) Coaxial cables; and
- (3) Microwave radio relays except satellites.

But "Communication Supply Services" does not include overhead transmission lines, overhead transformers or relays, or any other overhead service equipment or similar equipment (however mounted and whatever mounted upon).

- c) "Power Supply Services", meaning the following types of property supplying electricity, steam or gas to an insured location:

- (1) Utility generating plants;
- (2) Switching stations;
- (3) Substations;
- (4) Transformers; and
- (5) Transmission lines.

But "Power Supply Services" does not include overhead transmission lines, overhead transformers or relays, or any other overhead service equipment or similar equipment (however mounted and whatever mounted upon).

- 4) This Additional Coverage is not subject to the terms of the **Utility Services Exclusion**, to the extent that such exclusion would conflict with provisions of this Additional Coverage. Payment for loss or damage under this Additional Coverage is included within the applicable Limit of Insurance.
- 5) Insurance under this Additional Coverage does not apply to loss or damage to, or arising from, electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth within section **A.2. Property**

**Not Covered** of the CP 00 10 to which this endorsement applies.

**39. Water Damage, Other Liquids, Powder or Molten Material Damage**

Under **Section F. Additional Coverage Extensions** of CP 10 30, **2. Water Damage, Other Liquids, Powder or Molten Material Damage** is replaced by the following:

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

Payment under this Additional Coverage is included within the applicable Limit of Insurance. The maximum we will pay for loss or damage to lawns, shrubs or paved areas is \$25,000 per "occurrence".

**THIS IS NOT FLOOD INSURANCE OR PROTECTION FROM AN INUNDATION OF SURFACE WATER, HOWEVER CAUSED.**

**40. Worldwide Property Off-Premises**

Under **Section A.5. Coverage Extensions** of CP 00 10, the following is added:

**z. Worldwide Property Off-Premises**

1) You may extend the insurance that applies to your Business Personal Property and Business Personal Property of Others while it is not at an insured location and outside the coverage territory if it is:

a) Temporarily at a location you do not own, lease or operate;

Under this provision, to qualify for coverage you must demonstrate that the involved property:

(1) Had been situated at an insured location immediately before it went off-site and suffered loss or damage, and

(2) Had not been away from an insured location for more than 90 consecutive days immediately preceding loss or damage;

b) At any fair, trade show or exhibition; or

c) While "in transit" between an insured location and a location described in a) or b) above.

2) When loss includes Property of

Others, for coverage to apply to such property, you must have assumed responsibility for the property under a written agreement that was in effect before the loss.

3) The most we will pay for loss or damage under this Extension is \$50,000 per "occurrence". This Coverage Extension provides an additional amount of insurance.

**B. COVERAGES PROVIDED UNDER A BLANKET LIMIT OF INSURANCE**

**1. Accounts Receivable**

Under **Section A.5. Coverage Extensions**, of CP 00 10, the following is added:

**I. Accounts Receivable**

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

a) All sums due from your customers that, after reasonable effort, you are unable to collect;

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

c) Reasonable collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and

d) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from direct physical loss or damage by any covered Cause of Loss to your records of accounts receivable.

2) **Paragraph B. Exclusions of CP 10 30 do not apply to this Coverage Extension, except for:**

a) Paragraph **B.1.c.** Governmental Action;

b) Paragraph **B.1.d.** Nuclear Hazard;

c) Paragraph **B.1.f.** War & Military Action;

d) Paragraph **B.2.h.** Dishonesty;

e) Paragraph **B.2.i.** False Pretense; and

f) Paragraph **B.3.**

3) This Coverage Extension does not apply to loss or damage caused by or resulting from:

a) Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

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

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

b) Alteration, falsification, concealment, destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

4) The most we will pay under this Coverage Extension for loss or damage in any one "occurrence" at an insured location is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

## 2. Business Income and Extra Expense

Under **Section A.4. Additional Coverage** of CP 00 10, the following is added as respects only the Business Income and Extra Expense insurance as provided under the Blanket Limit of Insurance of this endorsement:

### aa. Business Income and Extended Business Income and Extra Expense

#### 1) Business Income

We will pay for the actual loss of "business income", including "rental value", you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at an insured location. The loss or damage must be caused by or result from a Covered Cause of Loss.

With respect to loss of or damage to personal property in the open or personal property in a vehicle, an insured location includes the area within 1000 feet of the site at which the insured location is located.

#### 2) Extra Expense

We will pay necessary "Extra Expense" you incur during the "period of restoration" that you would not have

incurred if there had been no direct physical loss or damage to property at an insured location. The loss or damage must be caused by or result from a Covered Cause of Loss.

With respect to loss of or damage to personal property in the open or personal property in a vehicle, an insured location includes the area within 1000 feet of the site at which the insured location is located.

3) With respect to the requirements set forth in **1)** and **2)** above, if you occupy only part of the site at which the insured location is located, your premises means:

a) The portion of the building which you rent, lease or occupy; and

b) Any area within the building or on the site at which an insured location is located, if that area services, or is used to gain access to, an insured location.

4) We will only pay for loss of "business income" or "extra expense" that occurs during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.

5) For the purposes of this portion of the insurance, all recoverable loss ceases when the "period of restoration" ends.

6) This Additional Coverage does not extend to cover any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses, nor will it penalize you for similar decreases caused by loss of market or other factors as calculated for the "period of restoration".

7) Where appropriate, historical records will be used to assist in forecasting your probable loss of income had covered loss not intervened.

8) The impact of excluded events which may take place at or after the date of loss will be considered in determining your likely net income after covered loss and in calculating your loss of income under this coverage.

#### 9) Extended Business Income

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

a) Begins on the date property except finished "stock" is actually repaired, rebuilt or replaced to the extent necessary to resume "operations"; and

b) Ends on the earlier of:

(1) The date you could restore your "operations", with reasonable speed, to the level which would generate the "business income" amount that would have existed if no direct physical loss or damage had occurred; or

(2) 365 consecutive days after the date determined in (9)(a) above or 24 consecutive months from the date of the covered loss, whichever is less.

c) Loss of "business income" during the extended period provided by this coverage must be caused by direct physical loss or damage at an insured location caused by or resulting from any Covered Cause of Loss.

d) However, Extended Business Income does not apply to loss of "business income" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss, or of excluded loss events, in the area where an insured location is located. The impact of such events will be considered and factored in when determining your likely net income after covered loss and in calculating your loss of income under this coverage.

e) Where appropriate, historical records and market factors prevailing at the conclusion of the "period of restoration" will be used to assist in forecasting your probable extended loss outcome.

10) We will not pay for:

a) Any "Extra Expense", or increase of "business income" loss, (including Extended Business

Income) caused by or resulting from:

(1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your "business income" during the "period of restoration". This final provision addressing direct causal relationship does not extend to loss you may incur under Extended Business Income.

b) Any other consequential loss.

c) Loss of Business Income (including Extended Business Income) caused by direct physical loss of or damage to "software" after the longer of:

(1) 60 consecutive days from the date of physical loss or damage; or

(2) The period, beginning with the date of physical loss or damage necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the insured location due to damage caused by the same "occurrence".

#### Example #1

A Covered Cause of Loss damages "computer equipment" and results in the loss of data processing programming records (a part of "software" as defined) on August 1<sup>st</sup>. The "software" records are replaced October 15<sup>th</sup>. We will only pay for the Business Income Loss sustained during the period August 1<sup>st</sup> – September 29<sup>th</sup> (60 consecutive days). Loss during the period September 2<sup>nd</sup>- October 15<sup>th</sup> is not covered.

#### Example # 2

A covered Cause of Loss damages "computer equipment" on June 1<sup>st</sup>. It takes until September 1<sup>st</sup> to replace the computer "hardware" and until October 1<sup>st</sup> to restore the data (a part of "software") that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1<sup>st</sup> – September 1<sup>st</sup>. Loss during the period September 2<sup>nd</sup> – October 1<sup>st</sup> is not covered.

**11)** This Additional Coverage does not apply to other Additional Coverages or Coverage Extensions except:

**a)** With regard to **1)** Business Income and **2)** Extra Expense:

- (1)** Foundations and Underground Pipes;
- (2)** Ordinance or Law;
- (3)** Underground Water Seepage;
- (4)** Utility Services;
- (5)** Backup or Overflow of Sewer, Drains or Sumps;
- (6)** Electronic Data Processing Equipment; or
- (7)** Collapse.

**b)** With regard to **9)** Extended Business Income:

- (1)** Collapse; or
- (2)** "Computer equipment".

**12)** The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at an insured location is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

### **3. Claim Expenses**

Under **Section A.5. Coverage Extensions**, of CP 00 10, the following is added:

#### **m. Claims Expenses**

- 1)** We will pay all reasonable expenses you incur at our request to assist us in:
  - a)** The investigation of a claim;
  - b)** The determination of the amount of loss, such as taking inventory; or
  - c)** The cost of preparing a statement of loss and other supporting exhibits.
- 2)** We will not pay for expenses:

- a)** Incurred to perform your Duties in the Event of Loss under Section E. Loss Conditions of CP 00 10;
- b)** To prove that loss or damage is covered;
- c)** Billed by and payable to independent or public adjusters, or attorneys or similar entities sponsored by any of the above;
- d)** To prepare claims not covered by this policy; or
- e)** Incurred under any Appraisal provisions within the policy.

**3)** The Deductible does not apply to this Coverage Extension.

**4)** Regardless of the number of insured locations involved, the most we will pay under this Coverage Extension for loss or damage in any one "occurrence" at an insured location is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

### **4. Electronic Data Processing Equipment**

Under **Section A.4. Additional Coverages** of CP 00 10, the following is added:

#### **ab. Electronic Data Processing Equipment**

**1)** We will pay for direct physical loss to the following Covered Property which is your property or the property of others in your care, custody or control for which you are responsible under written agreement:

- a)** "Computer equipment";
- b)** Climate control equipment and fire protective equipment used exclusively with your "computer equipment"; and
- c)** Programming documentation and instructional manuals.

**2)** We will not pay for any loss to the following property:

- a)** Property you rent, loan or lease to others while it is away from an insured location;
- b)** Property you hold for sale, distribute or manufacture; or
- c)** "Software" that cannot be duplicated or replaced with similar property of equal quality.

**3)** Under Section B. Exclusions of CP 10 30, exclusions **1.e.**, **2.a.**, **2.d.(6)** and

- (7) do not apply to this Additional Coverage.
- 4) Under Section A.2. Property Not Covered of CP 00 10, the following is added:
- r. “Computer Equipment”, Climate control equipment and fire protective equipment used exclusively with your “computer equipment”; and programming documentation and instructional manuals – all except as otherwise provided for within a special endorsement or within the Blanket Coverages of an attached Property Broadening Endorsement.
- 5) We will not pay for any loss caused by or resulting from:
- a) Errors or omissions in programming or incorrect instructions to “hardware”; or
- b) Faulty instruction or incorrect usage, including changes in arrangements of parts.
- c) Theft of this property while checked as baggage.
- 6) Business Income and Extra Expense Computer Virus Coverage
- a) As an additional benefit, while the policy excludes direct physical loss caused by “computer virus”, we will pay for the actual loss of “business income” (but not Extended Business Income) or “extra expense” you sustain due to the necessary “suspension” of “operations” during the “period of restoration” caused by or resulting from “computer virus” that occurs at an insured location shown in the Declarations.
- b) Subject also to the limits stated within 7) below, we will cover Loss of Business Income (not including Extended Business Income) and “extra expense” caused by “computer virus” as specified above for no more than 90 consecutive days from the date such virus is discovered by you, but only to the extent you have, with reasonable speed, resumed (or attempted to resume) your “operations” as soon as possible by remedying the problems caused by the offending

“computer virus” or other practical means.

- 7) Regardless of the number of locations involved, the most we will pay under this Additional Coverage for loss or damage in any one “occurrence” is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

## 5. Fine Arts

Under Section A.4. Additional Coverages of CP 00 10, the following is added:

### ac. Fine Arts

- 1) When caused by a Covered Cause of Loss, we will pay for direct physical loss to “fine arts” which are your property or the property of others in your care, custody or control while on an insured location, while on public exhibition or while “in transit”.
- 2) Our payment for loss of or damage to property of others will only be for the account of the owner of the property.
- 3) Paragraph B. Exclusions 1.e., 2.a. and 2.b., 2.d.(4) and (6) of CP 10 30 do not apply to this Additional Coverage.
- 4) We will not pay for any loss caused by or resulting from:
- a) Breakage of statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property, however caused, unless such breakage is caused directly by a “specified cause of loss” or earthquake or flood; and
- b) Any repairing, restoration or retouching of the “fine arts”.
- 5) Regardless of the number of locations involved, the most we will pay under this Additional Coverage for loss or damage in any one “occurrence” is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

## 6. Fire Department Service Charge

Under Section A.4. Additional Coverages of CP 00 10, c. Fire Department Service Charge 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 for your liability for fire department service charges:

- a. Assumed by contract or agreement prior to loss; or
- b. Required by local ordinance.
- c. Regardless of the number of locations involved, the most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule

## 7. Movement of Property

Under **Section A.5. Coverage Extensions**, of CP 00 10, the following is added:

### n. Movement of Property

- 1) You may extend the insurance that applies to Covered Property to apply to direct physical loss or damage from a Covered Cause of Loss to your Business Personal Property from an insured location which has been deleted from this policy if:
  - a) You moved Covered Property from an insured location to a new premises; and
  - b) A Limit of Insurance for the new premises has been added to this policy; and
  - c) The direct physical loss or damage occurs to Covered Property at the prior insured location before the movement of property to the new premises is completed.
- 2) Insurance under this Coverage Extension will end when any of the following first occurs:
  - a) The movement of property to the new premises is completed; or
  - b) 30 days after the effective date of the endorsement adding the new premises.
- 3) Regardless of the number of locations involved, the most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

## 8. Outdoor Property

Under **Section A.5. Coverage Extensions** of CP 00 10, **e. Outdoor Property** is replaced by the following:

You may extend the insurance provided by this policy to apply to the following at insured locations:

- 1) Bridges, roadways, walks, patios or other paved surfaces;
- 2) In-ground sprinkler systems and piping;
- 3) Outdoor fences and awnings;
- 4) Outdoor signs (including those attached to buildings at an insured location);
- 5) Radio, microwave or television towers, antennas or satellite dishes, including their lead-in wiring and masts;
- 6) Retaining walls that are not part of the building (except those that are used, in whole or in part, to contain, hold back or restrain water); or
- 7) Trees, shrubs, plants or lawns (other than "stock" of trees, shrubs, plants or lawns) which you own or for which you are liable, including debris removal expense, caused by or resulting from any Covered Cause of Loss, except for (7) above.

Property in paragraph (7) above is covered for loss or damage caused by or resulting from the following causes of loss:

- a) Fire;
- b) Lightning;
- c) Explosion;
- d) Riot or civil commotion;
- e) Falling objects;
- f) Aircraft;
- g) Windstorm; or
- f) Ice, snow, sleet and hail.
- 8) The most we will pay for loss caused by windstorm, ice, snow, sleet or hail for property in paragraph (7) is \$5,000, but not more than \$1,000 for any one tree, shrub, plant or lawn.
- 9) This insurance provides coverage only for property you own or for which you are liable under written agreement.
- 10) The coverage and Limits of Liability provided within this Coverage Extension represents the total amounts collectible for the above items, including debris removal expense, in the event of loss.
- 11) Regardless of the number of locations involved, the most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

## 9. Personal Effects

Under **Section A.5. Coverage Extensions** of CP 00 10, **b. Personal Effects and Property of Others** is replaced by the following:

**b. Personal Effects**

- 1) You may extend the insurance that applies to Your Business Personal Property to apply to Personal Effects owned by you, your officers, your partners or members, your managers or your “employees”.
- 2) Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.
- 3) The most we will pay under this Coverage Extension is subject to the blanket limit of insurance. This Coverage Extension provides an additional amount of insurance.

**10. Valuable Papers and Records**

Under **Section A.5. Coverage Extensions**, of CP 00 10, **c. Valuable Papers and Records – Cost of Research** is replaced by the following:

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

- 1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to “valuable papers and records” that you own or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the costs to research lost information on “valuable papers and records” for which duplicates do not exist.
- 2) This Coverage Extension does not apply to property held as samples or for delivery after sale.
- 3) Paragraph **B. Exclusions** of CP 10 30 do not apply to this Coverage Extension, except for:
  - a) Paragraph **B.1.c. Governmental Action**;
  - b) Paragraph **B.1.d. Nuclear Hazard**;
  - c) Paragraph **B.1.f. War and Military Action**;
  - d) Paragraph **B.2.h. Dishonesty**;
  - e) Paragraph **B.2.i. False Pretense**; and
  - f) Paragraph **B.3.**
- 4) This Coverage Extension does not apply to loss or damage caused by or resulting from:

- a) Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (1) Programming errors or faulty machine instructions; or
- (2) Faulty installation or maintenance of data processing equipment or component parts;
- (3) But we will pay for direct loss or damage caused by lightning.

- b) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by the fire or explosion.

- 5) Coverage provided by this Extension does not apply to valuable papers and records which exist as electronic data. The term electronic data has the meaning set forth within the Electronic Data paragraph found within **A.2. Property Not Covered** of the CP 00 10 to which this endorsement applies.
- 6) Regardless of the number of insured locations involved, the most we will pay under this Coverage Extension for loss or damage in any one “occurrence” at an insured location is subject to the Blanket Coverage Limit of Insurance, or the amount shown in the Additional Property Coverage Schedule.

**C. BROADENED VALUATION CLAUSE**

Under **Section E. Loss Conditions** of CP 00 10, **7. Valuation** is replaced with the following:

**7. Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At replacement cost without deduction for depreciation, except as provided in **b. through r.** below.
  - 1) You may claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the date loss or damage.

- 2) We will not pay on a replacement cost basis for any loss or damage:
  - a) Until the lost or damaged property is actually repaired or replaced; and
  - b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- 3) We will not pay more for loss or damage on a replacement cost basis than the least of:
  - a) The Limit of Insurance applicable to the lost or damaged property;
  - b) The cost to replace, on the same premises, the lost or damaged property with other property:
    - (1) Of comparable material and quality; and
    - (2) Used for the same purpose; or
  - c) The amount you actually spend that is necessary to repair or replace the lost or damaged property even if, when replacement is necessary, you choose to make use of other than new property to effect such replacement.
- b. The following property at actual cash value:
  - 1) Used or second hand merchandise held in storage or for sale;
  - 2) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - 3) Manuscripts;
  - 4) Works of art, "antiques" or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; and
  - 5) Contractors equipment and tools.
- c. Glass at the cost of replacement with safety glazing material if required by law.
- d. Tenant's Improvements and Betterments at:
  - 1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - 2) A proportion of your original cost if you do not make repairs promptly.  
We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
    - (c) When a written lease does not exist, instead of the method of calculating loss shown in **d.(2)(a)** and **(b)** above, we will determine the proportionate value of the improvements and betterments as follows:
      - (1) Multiply the original cost by 365 days; and
      - (2) Divide the amount determined in (a) above by the number of days from the installation of improvements to 365 days after the date of the "occurrence".
- e. "Valuable papers and records", including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
  - 1) Blank materials for reproducing the records; and
  - 2) Labor to transcribe or copy the records when there is a duplicate.  
This condition does not apply to "valuable papers and records" that are actually replaced or restored.
- f. "Money" at its face value.
- g. "Securities" at their value at the close of business on the day the loss is discovered.
- h. Accounts receivable:
  - 1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - a) We will determine the total of the average monthly amounts of accounts receivable for the 12 months preceding the month in which loss or damage occurs; and
- 3) If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in the procedure described in **2)** above.
- 4) Nothing, if others pay for repairs or replacement.

- b) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- 2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - a) The amount of the accounts for which there is no loss or damage;
    - b) The amount of the accounts that you are able to re-establish or collect;
    - c) An amount to allow for probable bad debts that you are normally unable to collect; and
    - d) All unearned interest and service charges.
  - i. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
  - j. Finished "stock" you manufactured at the selling price less discounts and expenses you otherwise would have had.
  - k. Property "in transit" (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may have accrued or become legally due since the shipment. If you have no invoice, actual cash value will apply.
  - l. Lottery tickets at their initial cost to you except for winning tickets, at their redeemed present cash value.
  - m. Data, media and computer "software" programs. For media, at the actual costs of repairing or replacing the media with material of like kind and quality. Data and computer "software" programs at the actual cost of reproducing the data or computer "software" program, providing you actually reproduce or replace it.
  - n. Prepackaged "software" programs and electronic data processing equipment that cannot be replaced, at the cost of functionally equivalent "software" or "hardware".
  - o. Precious metals, such as gold, silver and platinum, at the average market cost of replacements on the date of loss, or the actual cost of the replacement, if less.
  - p. "Fine arts". The value of Covered Property is not agreed upon but will be determined at the time of loss or damage. We will not pay more than the least of the following:
    - 1) The actual cash value of the property at the time of loss or damage; or
    - 2) The amount for which you could reasonably expect to pay to have the property repaired to its condition immediately prior to the loss.
  - q. Pairs or sets at our option:
    - 1) The cost to repair or replace any part to restore the pair or set to its value before the loss or damage; or
    - 2) The difference between the value of the pair or set before and after the loss or damage.
  - r. "Business income", "extra expense" and "resumption of operations":
    - 1) The amount of "business income" loss will be determined based on:
      - a) The Net Income of the business before the direct physical loss or damage occurred;
      - b) The likely Net Income of the business if no loss or damage had occurred but not including any Net Income that would likely have been earned as a result of an increase in the volume of business conditions due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
      - c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
      - d) Other relevant sources of information, including:
        - (1) Your financial records and accounting procedures;
        - (2) Bills, invoices and other vouchers; and
        - (3) Deeds, liens or contracts.
    - 2) The amount of "extra expense" will be determined based on:
      - a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical

loss or damage had occurred. We will deduct from the total of such expenses:

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

(2) Any "extra expense" that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

b) All necessary expenses that reduce the "business income" loss that otherwise would have been incurred.

### 3) Resumption of Operations

We will reduce the amount of your:

a) "Business income" loss, other than "extra expense", to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or "stock") at an insured location or elsewhere.

b) "Extra expense" loss to the extent you can return "operations" to normal and discontinue such "extra expense".

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

## IV. DEFINITIONS

Under **Section H. Definitions** of CP 00 10, the following are added:

Defined words shown in this section may be used in the singular or plural within this policy. When so used, adjustment to the stated definitions to match such usage shall be incorporated into the definition.

4. "Antiques" means an object having value because its:

- a. Craftsmanship is in the style or fashion of former times; and
- b. Age is 100 years or older.

5. "Business income" means:

a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred; and

b. Continuing normal operating expenses incurred, including payroll.

6. "Computer equipment" means:

a. Computer "hardware" and related component parts. Component parts include but are not limited to modems, printers, keyboards and scanners.

b. Computer control systems including uninterruptible power supply systems, line conditioner and voltage regulator; and

c. "Software".

"Computer Equipment" includes only those items whose primary function is to electronically process data. It does not include production equipment or similar items that use "hardware" or "software" to control such equipment's operations in producing such equipment's desired production results.

7. "Computer virus" means an intentional, unwanted entry into electronic data processing "software" which results in unintended functions distorting, corrupting or manipulating the electronic data processing "software".

8. "Dependent property" means property operated by others whom you depend on to:

- a. Deliver materials or services to you, or to others for your account;
- b. Accept your products or services;
- c. Manufacture products for delivery to your customers under contract of sale; or
- d. Attract customers to your business.

9. "Dependent property period of restoration":

a. Means the period of time that:

- 1) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
- 2) Ends on the date when the property at the premises of the "dependent property" should have been repaired, rebuilt or replaced to a condition permitting occupancy with reasonable speed and similar quality.

b. "Dependent property period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- 1) Regulates the construction, use or

repair, or requires the tearing down of any property; or

- 2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

**10. "Employee" means:**

- a. Any natural person:
  - 1) while in your service (and for 30 days after termination of service); and
  - 2) whom you compensate directly by salary, wages or commissions; and
  - 3) whom you have the right to direct and control while performing services for you.
- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.
- c. A director, trustee, officer, administrator, manager or person of similar nature or responsibility who is managing, of any Employee Welfare or Pension Benefit Plan insured under this insurance. However, "employee" does not include any independent contractor acting in the above capacity.
- d. Your director or trustee while that person is performing the duties of any "employee".
- e. But "employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character, whether or not they otherwise qualify as an "employee" under the terms set forth above.

**11. "Extra Expense" means the 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 business and to continue "operations":
  - 1) At an insured location; or
  - 2) At replacement premises or at temporary locations, including

relocation expenses and costs to equip and operate the replacement or temporary locations.

- b. To minimize the suspension of business if you cannot continue "operations".

**c. To:**

- 1) Repair or replace any property; or
- 2) Research, replace or restore the lost information on damaged "valuable papers and records"

To the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

With regard to **c.1)** above, we will pay only for those expenses necessary to expedite the repair or replacement of the property. Under this provision, we will not pay for any portion of the ordinary and expected cost to actually repair or replace property.

**12. "Fine arts" means paintings, etchings, pictures, tapestries, rare art glass, art glass windows, valuable rugs, statuary, sculptures, "antiques", furniture, "antique" jewelry, bric-a-brac, porcelains and similar property of rarity, historical value or artistic merit.**

**13. "Hardware" means an assemblage of electronic machine components capable of accepting instructions and information according to the instructions, and producing desired results.**

**14. "In transit" means in the course of shipment from or to an insured location shown in the Declarations. It includes such shipments while temporarily stopped or delayed, incidental to the delivery but does not include general merchandise or other items to be delivered at some unspecified future time, or when stopped overnight locally at your, or your driver's, convenience.**

**15. "Manager" or "managers" means a person or persons serving in a directorial capacity for a limited liability company (LLC).**

**16. "Money" means:**

- a. Currency, coins and bank notes and bullion in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

**17. "Occurrence" means all loss or damage that is attributable directly or indirectly to:**

- a. One cause, act, event or series of similar, related causes, acts or events involving one or more persons; or
- b. One cause, act or event, or a series of

similar related causes, acts or events not involving any person.

**18.** "Operations" means your business activities occurring at an insured location.

**19.** "Period of restoration":

**a.** Means the period of time that:

**1)** Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at an insured location; and

**2)** Ends on the earlier of:

**a)** The date when the property at an insured location should be repaired, rebuilt or replaced to a condition permitting occupancy with reasonable speed and similar quality; or

**b)** The date when business is resumed at a new permanent location.

**b.** 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".

**20.** "Rental Value" means the:

**a.** Total anticipated rental income from tenant occupancy of the insured location described in the Declarations as furnished and equipped by you;

**b.** Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and

**c.** Fair rental value of any portion of an insured location, which is occupied by you.

**21.** "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", debit cards, or other general evidences of debt including but not limited to phone calling cards and the like. In addition, debt instruments whose value cannot be reasonably established after loss do not qualify as "securities".

**22.** "Software" means:

**a.** Processing, recording or storage media used for electronic data processing operations. This includes films, tapes, cards, discs, drums, cartridges or cells; and

**b.** Data, information and instructions stored on processing, recording or storage media used for electronic data processing operations.

**23.** "Suspension" means:

**a.** The slowdown or cessation of your business activities; or

**b.** That a part or all of an insured location is rendered untenable, if coverage for "Business Income" including "Rental Value" or "Rental Value" applies.

**24.** "Theft" means any act of stealing.

**25.** "Valuable papers and records" means inscribed, printed or written documents, manuscripts and records including abstracts, books, deeds, drawings, films, maps or mortgages. But "valuable papers and records" does not mean "money" or "securities", converted data or programs or instructions used in your data processing operations, including the materials on which the data is recorded.

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

## **EMERGENCY EVENT MANAGEMENT COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM – CP 00 10  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – CP 00 30  
 CAUSES OF LOSS – SPECIAL FORM – CP 10 30

Refer to **Section G – Definitions** of this endorsement or the Definitions section of the coverage forms listed above for additional words or phrases which appear in quotation marks that have special meaning. When there is more than one meaning for the same words or phrase, the definition found in Section **G.** of this endorsement applies.

These coverages amend the insurance provided under the **Building and Personal Property Coverage Form** and **Business Income (and Extra Expense) Form** through new coverages. Unless otherwise noted, each Limit of Insurance shown below applies to your total loss or damage suffered after a “covered emergency” regardless of the number of “covered locations” involved. These coverages are subject to the provisions applicable to the **Building and Personal Property Coverage Form** and the **Business Income (and Extra Expense) Coverage Form** unless specifically provided for and amended within this endorsement. If any of the property insured under this endorsement is also insured under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies to a specific type of property or “covered emergency”, in the event of loss or damage, you may choose only one of the potentially applicable coverages to apply to that loss. The most we will pay in this case is the limit of liability applicable to the coverage you select.

### **Schedule of Coverages**

<b>Coverage</b>	<b>Policy Limit</b>
<b>A.</b> Emergency Event Communication Expense	
<b>B.</b> Emergency Event Business Income (and Extra Expense)	
<b>C.</b> Post Emergency Event Expense	

<b>Coverage</b>	<b>Waiting Period</b>
Emergency Event Communication Expense	None
Emergency Event Business Income Extra Expense	Follows waiting period in form CP 00 30
Post Emergency Event Expense	None

#### **A. Emergency Event Communication Expense**

The following is added to Section **A.4 Additional Coverages**, of form **CP 00 10**:

##### **Emergency Event Communication Expense**

1. We will pay your emergency event communication expense resulting from a “covered emergency” at a “covered location” for sixty (60) consecutive days after a

“covered emergency” occurs.

Emergency event communication expense means:

- a. Extra expense incurred by your own communications department within the sixty (60) consecutive day period after the “covered emergency” when such expense is directly related to communications

activities relevant and necessary to the “covered emergency”; and

- b. Reasonable fees and costs you incur, within the sixty (60) consecutive day period after the “covered emergency”, due to the use of professional crisis management organizations necessary to assist or advise you on communications strategies to:

- 1) Mitigate negative publicity; or
- 2) Restore the image of your enterprise to pre-event levels following a “covered emergency”.

- 2. This coverage is designed to assist you in dealing with initial, short-term communication issues created by a “covered emergency” for the affected “covered location”. As such, we will not pay:

- a. Any cost related to communications advice received, or strategies developed, that address continuing publicity or image concerns for periods occurring after the immediate sixty (60) day period after a “covered emergency” – even when such expense is contracted for, or incurred within that initial sixty (60) days, or

- b. Communication-related expense dealing with mitigating negative publicity or restoring your enterprise’s image at “covered locations” not sustaining the “covered emergency”.

- 3. Regardless of the number of “covered locations” affected, the most we will pay after a “covered emergency” shall not exceed the applicable Emergency Event Communication Expense limit shown in the schedule of this endorsement.

- 4. The amount of emergency event communication expense loss will be determined based on the necessary additional expenses incurred by you to manage your communications regarding the “covered emergency” to your employees, shareholders, customers, government authorities, news media and other members of the public after the “covered emergency”.

**B. Emergency Event Business Income and Extra Expense – Optional Coverage**

When the **Business Income (and Extra Expense) Coverage Form CP 00 30** is a part of the policy to which this endorsement is attached, the following, supplemented by other provisions of this endorsement, apply, and replace all provisions

of form **CP 00 30** under the terms of this endorsement.

**1. Emergency Event Business Income and Extended Business Income Coverage**

**a. What We Pay For:**

**1) Emergency Event Business Income**

Subject to the Waiting Period shown in the schedule of this endorsement, we will pay for the actual loss of “emergency event business income” you sustain due to the necessary “suspension” of your “operations” during the “emergency event period of restoration”. The “suspension” must be caused by or result from a “covered emergency” at your “covered location”.

**2) Emergency Event Extended Business Income**

If the necessary “suspension” of your “operations” caused by or resulting from a “covered emergency” produces an “emergency event business income” loss payable under this endorsement, we will also pay the actual loss of “emergency event business income” you incur during the period that:

- a) Begins on the date “operations” are resumed, or the “covered location” can be re-occupied by a tenant; and

- b) Ends on the earlier of:

- i) The date you could restore your “operations”, with reasonable speed, to the level which would generate the business income amount that would have existed had no “covered emergency” occurred; or

- ii) The date you could have the “covered location” re-occupied by a tenant, with reasonable speed, to a level that would have generated the rental income that would have existed if the “covered emergency” had not occurred; or

- iii) Thirty (30) consecutive days after the date determined in **Extended Business Income**

2.b).i). above.

**b. Additional Conditions and Limitations – Business Income and Extended Business Income**

- 1) When alternative locations, whether or not owned by you, could have been used to reduce any Business Income or Extra Expense loss but were not, we will not pay more than the calculable loss would have been had these other locations been used to mitigate loss.
- 2) When post event employee wages are claimed and payable under other coverage provisions of this endorsement, or elsewhere in this policy, they are not eligible for inclusion a second time as part of your continuing normal operating expense.
- 3) In the event that your loss of Emergency Event Business Income ends because it extends beyond the sixty (60) consecutive days provided after the “covered emergency”, your coverage for Emergency Event Extended Business Income will commence only when and if you actually resume “operations” (or tenancy is re-established). Understandably however, it is not always possible to resume “operations” immediately upon expiration of the initial sixty (60) consecutive day period. When this is the case, your coverage for loss of income will not be continuous. An interruption in your coverage for income loss will occur between:
  - a) The end of your Emergency Event Business Income coverage; and
  - b) The start of your Emergency Event Extended Business Income coverage.Such necessary delays in resuming your “operations” will not reduce any loss of Business Income or Extended Business Income payable under this endorsement.
- 4) Emergency Event Business Income and Extended Business Income does not apply to loss of Business Income or loss of “Rental Value” incurred as a result of unfavorable business conditions caused by the impact of the

“covered emergency” in the area where the described premises are located.

**c. Loss Determination - Business Income and Extended Business Income**

- 1) The amount of “emergency event business income” loss will be determined based on:
  - a) The Net Income of the business at the “covered location” before the “covered emergency” occurred;
  - b) The likely Net Income of the business at the “covered location” if no “covered emergency” occurred, but not including any Net Income that:
    - i) Was earned due to increased sales or similar activity at other “covered locations” caused by the disruption of “operations” at the “covered location” where the “covered emergency” occurred; or
    - ii) Would have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the “covered emergency” on customers or other businesses;
    - iii) The operating expenses, including payroll expenses, necessary to resume “operations” with the same quality of service that existed just before the “covered emergency”; and
    - iv) Other relevant sources of information, including but not limited to:
      - (a) Your financial records and account procedures;
      - (b) Bills, invoices and other vouchers; and
      - (c) Deeds, liens or contracts.

**2. Emergency Event Extra Expense**

- a. We will pay “emergency event extra expense” you incur during the “emergency event period of restoration” caused by or resulting from a “covered emergency” to:

- 1) Avoid or minimize the “suspension” of your business and to continue “operations” at the “covered location” or at temporary or replacement locations, including relocation expenses and additional costs to equip and operate the temporary or replacement location; or
  - 2) Minimize the “suspension” of business if you cannot continue your “operations”.
- b. We will not pay for the cost to repair or replace property.
- c. This coverage ends the earlier of:
- 1) The date your “operations” are restored to a similar condition that would have existed had the “covered emergency” not occurred; or
  - 2) Sixty (60) consecutive days after the “covered emergency” event occurs.
- d. No deductible applies to this Emergency Event Extra Expense coverage.
- e. The amount of “emergency event extra expense” loss will be based on:
- 1) All necessary expenses related to the “covered emergency” that exceed the normal operating expenses that would have been incurred by “operations” during the “emergency event period of restoration” if no “covered emergency” had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the “emergency event period of restoration”, once “operations” are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written, subject to the same plan, terms, conditions and provisions as this insurance;
  - 2) Necessary expenses that reduce the “emergency event business income” loss that otherwise would have not been incurred.
- f. “Emergency event extra expense” applies only to those expenses incurred to deal with your “operations” and does not include other types of expenditures such as ransom money - paid directly or

indirectly to actual or alleged perpetrators causing, or those threatening to cause, a “covered emergency” - or any reward offered relating to such persons whether or not leading to arrest and conviction.

**The following provisions apply to B.1. and B.2 above:**

**3. Limit of Insurance – More than One Covered Location Affected**

Regardless of the number of “covered locations” affected, the most we will pay after a “covered emergency” under the coverages afforded in **B.(1)** and **B.(2)** combined shall not exceed the Emergency Event Business Income (and Extra Expense) Limit of Insurance shown in the schedule of this endorsement.

**4. Resumption of Operations** - We will reduce the amount of your:

- a) “Emergency event business income” loss, other than “emergency event extra expense”, to the extent you can resume your “operations”, in whole or in part, at the affected “covered location” or elsewhere;
- b) “Emergency event extra expense” loss to the extent you can return “operations” to normal and discontinue such “emergency event extra expense”.

If you do not resume “operations”, or do not resume “operations” as quickly as possible, we will pay based on the length of time it would have taken to resume “operations” as quickly as possible.

**5. Business Income, Extended Business Income and Extra Expense Coverage when an insured peril and a “covered emergency” jointly cause loss or damage.**

- a. In the event of a covered loss, this endorsement, as well as other parts of the policy, may provide Business Income, Extended Business Income or Extra Expense coverage.
- b. When such parallel coverage exists and a “covered emergency” under this endorsement joins with a covered peril under other policy provisions to produce covered loss or damage resulting in Business Income, Extended Business Income or Extra Expense loss, you:
  - 1) May choose which Business Income, Extended Business Income or Extra Expense coverage to apply to the

jointly covered Business Income, Extended Business Income or Extra Expense loss.

- 2) May not bundle or otherwise stack applicable limits of insurance to create a limit of insurance greater than the specific limit of insurance applying to the Business Income, Extended Business Income or Extra Expense coverage you have chosen to apply.
- c. If any portion of the loss is not joint, and only one Business Income, Extended Business Income or Extra Expense coverage applies, the terms, conditions and limit of liability for that coverage will be used to determine that portion of the recoverable loss.

#### 6. Post Emergency Event Expense

- a. We will pay your post emergency event expense incurred as a result of a "covered emergency" at your "covered location". Payment under this coverage will begin immediately after the "covered emergency" and apply for up to sixty (60) consecutive days but will not exceed the Post Emergency Event Limit of Insurance shown in the schedule of this endorsement.
- b. Post emergency event expense means reasonable and necessary expenses incurred by any invitee, meaning your employees, customers and others with legitimate business on site who:
  - 1) Were physically on the affected "covered location" when the "covered emergency" occurred, and
  - 2) Suffered physical or other medically-based harm directly due to the "covered emergency" that results in any of the following:
    - (a) Medical treatment;
    - (b) Psychological counseling or other mental health treatment;
    - (c) Travel costs to and from a local provider of such services; or
    - (d) Funeral and burial expenses for those on site invitees who died as a result of the "covered emergency".
- c. Coverage is extended only to those whose treatment or expense arises directly from the trauma of the "covered emergency".

- d. All covered treatments or expenses must take place within sixty (60) consecutive days after the "covered emergency". If the treatment or expense occurs beyond the sixty (60) day expiration period, it is not covered. This applies even if the treatment or expense was scheduled or paid for before the sixty (60) day coverage period expired.
- e. No coverage is extended or implied beyond that specifically declared above.
- f. This coverage does not extend to include any of the above costs or expenses incurred directly or indirectly by any person (or their families) who, directly or indirectly, instigated, threatened, funded, perpetrated, participated or otherwise supported the activities leading to the "covered emergency".

#### D. Exclusions

##### 1. Deleted Exclusions - Emergency Event Management Coverage Endorsement

For loss claimed under this endorsement only, the following exclusions under the **CP 10 30** are deleted:

- a. **B.1.h. "Fungus", Wet Rot, Dry Rot and Bacteria;**
- b. **B.2.h. Dishonest or Criminal Acts;**
- c. **B.3.b. Acts or Decisions;** and
- d. **B.3.c. (1) – (4) Faulty, Inadequate or Defective** actions, activities or materials.

Deletion of the foregoing applies only to the terms of this endorsement. All exclusions otherwise continue to apply to all other loss claimed under this policy unless specifically stated otherwise.

##### 2. Additional Exclusions - Emergency Event Management Coverage Endorsement

The following exclusions are added to section **B.1.** of the **CP 10 30** for loss claimed under this endorsement only:

- a. Windstorm or hail;
- b. Illegal, dishonest or criminal act by you, or any of your partners, directors, officers or trustees whether or not:
  - 1) Acting independently or with others without your knowledge;
  - 2) Acting alone or in collusion with others – whether employees or others; or
  - 3) Whether or not occurring during the hours of employment.

- c. Any claim or suit by a third party for bodily injury or property damage including defense costs related to bodily injury or property damage beyond that provided in provision **C.(2)** above.

**3. Insured Against Events and Consequential Loss**

- a. This endorsement does not apply, and will not respond, to loss events other than those specifically described under the definition for “covered emergency”.
- b. Excepting the specific coverage grants provided within this endorsement, this endorsement does not extend to include consequential loss caused in whole or part by any “covered emergency”.

**4. Communicable Diseases Viruses**

Except as provide in the “covered illness” definition, this endorsement does not apply, and will not respond, to any loss directly or indirectly attributable to communicable diseases or viruses including, but not limited to:

- a. Anthrax;
- b. Avian Influenza;
- c. Crimean-Congo Hemorrhagic;
- d. Dengue Hemorrhagic Fever;
- e. Ebola Hemorrhagic Fever;
- f. Francisella Tularensis;
- g. Influenza;
- h. Lasso Fever;
- i. Marburg Hemorrhagic Fever;
- j. Meningococcal disease;
- k. Plague;
- l. Rift Valley Fever;
- m. Severe Acute Respiratory Syndrome (SARS);
- n. Smallpox;
- o. Tularemia;
- p. Yellow Fever; and
- q. Any pandemic or similar flu which is defined by the United States Center for Disease Control as a virulent human flu that may cause global outbreak, or pandemic, or serious illness.

**E. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

**1. Appraisal**

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for

an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

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

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

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

**2. Duties In The Event Of Loss**

- a. In the event of a “covered emergency” you must:
  - 1) Notify law enforcement if a law may have been broken.
  - 2) Within forty-eight (48) hours of the time you, or any of your: partners, directors, officers, trustees or employees with management or supervisory authority, first become aware of it, give us prompt notice of any “covered emergency” or event that is likely to lead to a “covered emergency”. This notification does not guarantee that a “covered emergency” has occurred.
  - 3) After a verbal notification to us, upon our request, you must, with immediacy, provide us a written description of the “covered emergency”.
  - 4) Such notice and description will include, but is not limited to:
    - a) Specifics as to when, where and how the “covered emergency” occurred or is occurring;
    - b) The name, address and any other pertinent information pertaining to any injured persons including the cause, nature, location and extent of their injuries;
    - c) Witnesses to the event, its origins or injuries to any person, emergency responder, and, when known, potential perpetrators;

- d) Response activities undertaken by you or others to address the consequences of the "covered emergency"; and
  - e) The nature and location of any physical damage to the "covered location" arising out of the "covered emergency" and the current repair status of such damage.
- 5) Take all reasonable steps to protect your invitees and the covered property at the "covered location" from further injury or damage, and keep a record of your expenses necessary to do so for consideration in the settlement of the claim. These actions do not guarantee such expenses will be covered nor will they increase the Limit of Insurance. In addition, we will not pay for any subsequent injury, loss or damage resulting from other than a "covered emergency". Also, if feasible, preserve and set damaged property aside and in the best possible order for examination.
- 6) As often as may be reasonably required, permit us to inspect the property proving the injury, loss or damage, and examine your books and records.
- Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- 7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- 8) Cooperate with us in the investigation or settlement of the claim.
- 9) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records.

In the event of an examination, an insured's answers must be signed.

### 3. Loss Payment

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

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

### F. Additional Loss Conditions

1. With respect to the coverages provided by this endorsement:

a. **Section F.1. Additional Conditions, Coinsurance** of form **CP 0010** does not apply.

b. The waiting period deductibles shown in the schedule of this endorsement are the only deductibles that will apply to coverage under this endorsement. **Section D. Deductible**, of form **CP 0010** does not apply.

c. When a loss covered under this endorsement occurs due to, or simultaneously with, a loss covered under other provisions of this policy, the deductibles shown in the schedule of this endorsement apply independently, and in addition to, any other deductible that may apply to the combined loss.

#### d. Other Insurance

If there is other insurance covering the same loss under this policy or any other policy, we will pay only the amount of the covered loss in excess of the amount due from the other insurance, whether collectible or not. If the other insurance covers the same loss but includes a higher deductible, we will pay for the difference between the deductible applicable to the coverage in this endorsement and that other Coverage. Other insurance, as it pertains to this endorsement, includes the insurance coverage or non-insurance services provided by an employer's Employee Assistance Plan or similar mental health service. Regardless of other insurance, we will not pay more than the applicable limit of insurance.

2. Loss or damage by a "covered emergency" as provided by this endorsement only applies to the coverages provided by this endorsement. "Covered emergency" does not apply to any

other insurance provided by this policy, including but not limited to any coverages for Business Income (and Extra Expense). A “covered emergency” is not a Covered Cause of Loss in any Coverage Form unless specifically added by another endorsement as a Covered Cause of Loss to that Coverage form.

## G. Additional Definitions

With respect to the coverage provided by this endorsement, the following definitions are added. When defined terms shown only in the singular below but used in the plural within the body of the endorsement appear, it is understood that the singular definition is extended to apply to the plural.

1. “**Contaminated**” or “**contamination**” means to make unfit for use by the introduction of unwholesome or undesirable elements.

2. “**Covered Emergency**” means the following:

### a. Violent Acts

1) An act committed with malicious intent on your “covered location” against any person(s) or entity’s employee(s) that results in physical injury or death to such person(s) or bystanders.

This does not apply to such acts by an committed by you, or any of your: partners, directors, officers or trustees.

2) Attempted or threatened actions with malicious intent to be committed on your “covered location” against any person(s) or entity’s employees that is likely to result in physical injury or death to such person(s) or bystanders.

a) This does not apply to such attempts or threats committed by you, or any of your: partners, directors, officers or trustees.

b) For coverage to apply, such attempts or threats must be credible and plausible.

3) An act committed with malicious intent on your “covered location” against any person(s) or entities that results in direct physical loss or damage to your premises or the property of others at the “covered location”.

This does not apply to such acts by an committed by you, or any of your:

partners, directors, officers or trustees.

4) Attempted or threatened actions with malicious intent to be committed on your “covered location” against any person(s) or entities that is likely to result in direct physical loss or damage to your premises or the property of others at the “covered location”.

a) This does not apply to such attempts or threats committed by you, or any of your: partners, directors, officers or trustees.

b) For coverage to apply, such attempts or threats must be credible, plausible and reported to law enforcement.

### b. Premises Contamination.

1) Necessary closure of all or part of your “covered location” due to any sudden, accidental, and unintentional “contamination” or impairment of the “covered location” which results in clear, visible and identifiable, internal or external symptoms of bodily injury, illness, or death of any person(s).

2) This includes a “covered location” “contaminated” by “covered illness”, but does not include “contamination” of the “covered location”, in whole or part, by other “pollutants”, “fungi” or bacteria except as provided under “covered illness”.

3) Confirmation of both the existence of the “covered illness”, and “covered location” that the “covered illness” has “contaminated” must be confirmed by a qualified expert or experts and reliable laboratory testing.

### c. Contaminated Food or Beverage.

1) Necessary closure of all or part of your “covered location” by order of the governing Board of Health because of discovery or suspicion that “contaminated” food or beverage has been served to patrons at your “covered location”; or

2) Necessary announcement either by you or any governmental body warning the public of a health hazard at your “covered location” because of either the discovery of, or verified

suspicion that, “contaminated” food or beverage has been served to your patrons.

**d. Specified Felonies.**

The following felonies, whether committed, attempted, or threatened on your “covered premises”:

- 1) **Child abduction or kidnapping.** The wrongful and illegal seizure (or threat thereof) of a child under age sixteen (16) from your “covered location” by someone other than the child’s parent or guardian, whether or not a parent or guardian possesses a legal right to hold a child, when a child’s parent (whether natural or adoptive) or guardian seizes the child, under this coverage, such seizure is not considered an abduction or kidnapping;
- 2) Stalking and abduction (or threat thereof) of one or more of your employees or customers by other than a family member;
- 3) Sexual assault (of threat thereof). Such assault must be confirmed by a qualified medical opinion; or
- 4) Criminal use of a firearm or device designed to cause harm or damage (or threat thereof);

**e. Other Emergency Incidents Not Caused by a “Covered Emergency”.**

When one of the following events occurs at your “covered property”:

- 1) Explosion;
- 2) Fire;
- 3) Construction accident;
- 4) Equipment failure; or
- 5) Workplace accident;

and results in significant injury or damage and adverse regional or national news media coverage of your business or “operations”.

**3. “Covered Location” means:**

- a) That part of a premises you occupy which is listed as insured by this policy, including the area within 1,000 feet of that property.
- b) If you have more than one “covered location”, the term “covered location” means only the location at which the “covered emergency” occurred.

c) If you occupy only part of the site at the “covered location”, this phrase is further defined as:

- 1) The portion of the building which you rent, lease or occupy; and
- 2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

**4. “Covered Illness”** means bacterial microorganisms transmitted through human contact with food. “Covered Illness” also includes the hepatitis virus, legionnaire’s disease and noroviruses as defined by the United States Center for Disease Control. “Covered Illness” does not include any other types of communicable viruses or diseases.

**5. “Emergency event business income”** means:

- a) Net income (net profit or loss before income taxes) – including “rental value” - that would have been earned or incurred before the “covered emergency” at the “covered location”; and
- b) Continuing normal operating expenses incurred, including payroll, at the “covered location”.

**6. “Emergency event extra expense”** means necessary temporary expenses at the “covered location”, such as the cost of temporary additional security, you incur during the “emergency event period of restoration”.

**7. “Emergency event period of restoration”** means the period of time that:

- a) Begins:
  - 1) For **Business Income** - After the Waiting Period Deductible shown in the schedule of this endorsement following the date of the “covered emergency”; and
  - 2) For **Extra Expense** – On the date of the “covered emergency” at a “covered location”; and

- b) Ends:

**Business Income and Extra Expense** –  
On the shorter of:

  - 1) The date when, using reasonable speed, the “operations” at your “covered location” should be resumed or the “covered location” can be re-

-occupied by a tenant; or

- 2) Sixty (60) consecutive days after the "covered emergency" occurred.
8. "**Fungi**" means any type or form of fungus, including but not limited to fungus, mildew, mold or resulting spores and byproducts, including mycotoxins, or allergens. However, "fungi" does not include "fungi" on food for human consumption.
  9. "**Pollutants**" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
  10. "**Operations**" means:
    - a) Your business activities occurring at the "covered location"; and
    - b) The ability to rent your "covered location" for "rental value".
  11. "**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 "covered location" as furnished and equipped by you, including fair rental value of any portion of the scheduled premises which is occupied by you; and
    - b) Continuing normal operating expenses incurred in connection with that scheduled location, including:
      - 1) Payroll; and
      - 2) The amount of charges which are legal obligation of the tenant(s) but would otherwise be your obligations.
  12. "**Suspension**" means
    - a) The slowdown or cessation of your business activities; or
    - b) The part or all of the "covered location" that is rendered un-rentable due to the "covered emergency".

**All other provisions of this policy remain unchanged.**

*SERFF Tracking Number:*      *HNVR-125704208*                      *State:*                      *Arkansas*  
*First Filing Company:*      *Hanover American Insurance Company, ...*      *State Tracking Number:*      *EFT \$50*  
*Company Tracking Number:*      *CP-CW-08299-01F*  
*TOI:*                      *01.0 Property*                      *Sub-TOI:*                      *01.0001 Commercial Property (Fire and Allied Lines)*  
*Product Name:*                      *Commercial Property; Wholesale Advantage & Emergency Event Management Broadening Endorsements*  
*Project Name/Number:*                      *Commercial Property; Wholesale Advantage & Emergency Event Management Broadening Endorsements /CP-CW-08299-01F*

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: HNVN-125704208 State: Arkansas  
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$50  
Company Tracking Number: CP-CW-08299-01F  
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)  
Product Name: Commercial Property; Wholesale Advantage & Emergency Event Management Broadening Endorsements  
Project Name/Number: Commercial Property; Wholesale Advantage & Emergency Event Management Broadening Endorsements /CP-CW-08299-01F

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 06/23/2008

**Comments:**

**Attachments:**

PC TD-1 forms.pdf  
PC FFS-1.pdf

**Satisfied -Name:** Form Explanatory Memorandum **Review Status:** Approved 06/23/2008

**Comments:**

**Attachment:**

Form Filing Memo.pdf

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>
	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>
The Hanover Insurance Company	0088

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
The Hanover Insurance Company	NH	22292	13-5129825	
Massachusetts Bay Insurance Company	NH	22306	04-2217600	
Hanover American Insurance Company	NH	36064	04-3063898	

<b>5. Company Tracking Number</b>	<b>CP-CW-08299-01F</b>
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Sylvie N. Bosunga 440 Lincoln Street Worcester, MA 01653	State Filings Consultant	(508) 855-8136	(508) 635-0703	sbosunga@hanover.com

7. Signature of authorized filer	
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8. Please print name of authorized filer	Sylvie N. Bosunga
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**Filing information** (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	01.0 Property
10. Sub-Type of Insurance (Sub-TOI)	01.0001 Commercial Property (Fire and Allied Lines)
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 07/20/2008                      Renewal: 07/20/2008
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	06/20/2008
19. Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input 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>	CP-CW-08299-01F
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<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]
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The Hanover Insurance Group wishes to file the enclosed Property broadening endorsements, effective July 20, 2008. These endorsements broaden coverage provided under the Building and Personal Property Coverage Form, and will apply to our monoline and package policies. The two endorsements serve two specific customer types: wholesale distribution operations, and those entities which may be at risk from some type of crisis event (shootings, disease outbreaks, etc).

The following forms are being filed:

411-0497 06 08 Wholesale Advantage Property Broadening Endorsement

- This endorsement provides a variety of coverage enhancements for wholesale distribution operations.

411-0610 06 08 Emergency Event Management Coverage Endorsement

- This endorsement provides coverage for losses or expenses not conventionally insurable, which arise from specified types of emergency or critical events.

The corresponding rates and rules are exempt from filing requirement therefore maintained in our office as "desk file" under company filing number CP-CW-08299-01R.

If you should have any questions or require additional information, please do not hesitate to contact this office. Thank you for your time and attention to this matter.

<b>22.</b>	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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**Check #:** \*\*\*\* Processed with EFT \*\*\*\*

**Amount:** 50.00

\$50.00 Flat Fee for form filing

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

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

## FORM FILING SCHEDULE

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

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>CP-CW-08299-01F</b>			
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)				
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Wholesale Advantage Property Broadening Endorsement	411-0497 06 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Emergency Event Management Coverage Endorsement	411-0610 06 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

# Hanover Insurance Group Form Explanatory Memorandum

## Wholesale Advantage and Emergency Event Management Property Forms Filing

Hanover Insurance Group, in an effort to further address the needs of our Policyholders, has developed two new property enhancement endorsements which provide specialized coverage extensions to targeted policyholders. Both endorsements provide broadened or additional coverages not found in the standard Property form, and are tailored to the specific needs of the selected groups.

### Coverage Highlights:

#### **Wholesale Advantage Form (designed for the needs of wholesalers):**

1. Raises standard coverage limits for Worldwide Business Personal Property, Transit coverages, Tenant Glass, Detached Trailers, Contract Penalty, Pollution Removal, Newly-Acquired Real Property and Newly-Acquired BPP, Dependent Properties and Worldwide Dependent Properties.
2. Expands Consequential Loss to Stock to apply to wholesale exposures; expands Contract Penalty to apply to dependent properties; expands Extended Business Interruption to 365 days/24 months; expands Worldwide Dependent Properties to include Extra Expense.
3. Adds new coverage for Money Orders and Counterfeit Currency, Extended Warranty Coverage, Trade Show BI, and Unintentional Property Reporting Errors.

#### **Emergency Event Management Form:**

This coverage form has been developed to address the needs of educational and religious institutions, as well as the hospitality, assisted living and real estate industries, who are faced with the traditionally non-insurable losses resulting from bombings, shootings, or outbreaks of communicable disease which impact both the insureds' physical plant as well as their ongoing business operations.

Hanover's Emergency Event Management Coverage will provide three separate but flexible limits for:

1. **Emergency Event Communication Expense**—covering public and media relations expenses arising from efforts to mitigate financial impact to business operations after an emergency event.
2. **Emergency Event Business Income and Extra Expense** – covers business income losses resulting from an emergency event. This coverage requires that the insured has also purchased Business Income coverage from the Hanover.
3. **Post-Emergency Event Expense** – covers medical treatments, counseling and funeral expenses for individuals who were physically injured at an insured location during an emergency event.

This form will respond to "Covered Emergencies" including:

- Actual or attempted violent acts;
- Premises contamination from "Covered Illnesses";
- Suspension of operations due to contaminated food or drink;
- Specified felonies such as child abduction, sexual assault or criminal use of a firearm; and
- Other emergency incidents such as fires, explosions, or workplace accidents that result in adverse regional or national news coverage of the insured's business.

#### **Rating**

A separate rate filing memorandum has been submitted for your review.

# Hanover Insurance Group Form Explanatory Memorandum

## Forms and Endorsements

Wholesale Advantage Property Broadening Endorsement  
Emergency Event Management Coverage

411-0497 06 08  
411-0610 06 08

SERFF Tracking Number: *HNVR-125704208* State: *Arkansas*  
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 Product Name: *Commercial Property; Wholesale Advantage & Emergency Event Management Broadening Endorsements*  
 Project Name/Number: *Commercial Property; Wholesale Advantage & Emergency Event Management Broadening Endorsements /CP-CW-08299-01F*

## Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Emergency Event Management Coverage	06/20/2008	411-0610 06 08 Emergency Mgmt..pdf

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

## **EMERGENCY EVENT MANAGEMENT COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM – CP 00 10  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – CP 00 30

Refer to **Section G – Definitions** of this endorsement or the Definitions section of the coverage forms listed above for additional words or phrases which appear in quotation marks that have special meaning. When there is more than one meaning for the same words or phrase, the definition found in Section G of this endorsement applies.

These coverages amend the insurance provided under the Building and Personal Property Coverage Form and Business Income (and Extra Expense) Form through new coverages. Unless otherwise noted, each Limit of Insurance shown below applies to your total loss or damage suffered after a “covered emergency” regardless of the number of “covered locations” involved. These coverages are subject to the provisions applicable to the Building and Personal Property Coverage Form and the Business Income (and Extra Expense Coverage Form) unless specifically provided for and amended within this endorsement. If any of the property insured under this endorsement is also insured under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies to a specific type of property or “covered emergency”, in the event of loss or damage, you may choose only one of the potentially applicable coverages to apply to that loss. The most we will pay in this case is the limit of liability applicable to the coverage you select.

### **Schedule of Coverages**

<b>Coverage</b>	<b>Policy Limit</b>
<b>A.</b> Emergency Event Communication Expense	
<b>B.</b> Emergency Event Business Income (and Extra Expense)	
<b>C.</b> Post Emergency Event Expense	

<b>Coverage</b>	<b>Waiting Period</b>
Emergency Event Communication Expense	None
Emergency Event Business Income	Follows waiting period in form CP 00 30
Extra Expense	None
Post Emergency Event Expense	None

#### **A. Emergency Event Communication Expense**

The following is added to Section **A.4 Additional Coverages**, of form CP 00 10:

##### **Emergency Event Communication Expense**

1. We will pay your emergency event communication expense resulting from a “covered emergency” at a “covered location” for sixty (60) consecutive days after a

“covered emergency” occurs.

Emergency event communication expense means:

- a. Extra expense incurred by your own communications department within the sixty (60) consecutive day period after the “covered emergency” when such expense is directly related to communications

activities relevant and necessary to the “covered emergency”; and

- b. Reasonable fees and costs you incur, within the sixty (60) consecutive day period after the “covered emergency”, due to the use of professional crisis management organizations necessary to assist or advise you on communications strategies to:
  - 1) Mitigate negative publicity; or
  - 2) Restore the image of your enterprise to pre-event levels following a “covered emergency”.

- 2. This coverage is designed to assist you in dealing with initial, short-term communication issues created by a “covered emergency” for the affected “covered location”. As such, we will not pay:

- a. Any cost related to communications advice received, or strategies developed, that address continuing publicity or image concerns for periods occurring after the immediate sixty (60) day period after a “covered emergency” – even when such expense is contracted for, or incurred within that initial sixty (60) days, or
- b. Communication-related expense dealing with mitigating negative publicity or restoring your enterprise’s image at “covered locations” not sustaining the “covered emergency”.

- 3. Regardless of the number of “covered locations” affected, the most we will pay after a “covered emergency” shall not exceed the applicable Emergency Event Communication Expense limit shown in the schedule of this endorsement.

- 4. The amount of emergency event communication expense loss will be determined based on the necessary additional expenses incurred by you to manage your communications regarding the “covered emergency” to your employees, shareholders, customers, government authorities, news media and other members of the public after the “covered emergency”.

#### **B. Emergency Event Business Income and Extra Expense – Optional Coverage**

When the **Business Income (and Extra Expense) Coverage Form CP 00 30** is a part of the policy to which this endorsement is attached, the following, supplemented by other provisions of this endorsement, apply, and replace all provisions

of form **CP 00 30** under the terms of this endorsement.

#### **1. Emergency Event Business Income and Extended Business Income Coverage**

##### **a. What We Pay For:**

##### **1) Emergency Event Business Income**

Subject to the Waiting Period shown in the schedule of this endorsement, we will pay for the actual loss of “emergency event business income” you sustain due to the necessary “suspension” of your “operations” during the “emergency event period of restoration”. The “suspension” must be caused by or result from a “covered emergency” at your “covered location”.

##### **2) Emergency Event Extended Business Income**

If the necessary “suspension” of your “operations” caused by or resulting from a “covered emergency” produces an “emergency event business income” loss payable under this endorsement, we will also pay the actual loss of “emergency event business income” you incur during the period that:

- a) Begins on the date “operations” are resumed, or the “covered location” can be re-occupied by a tenant; and

- b) Ends on the earlier of:

- i) The date you could restore your “operations”, with reasonable speed, to the level which would generate the business income amount that would have existed had no “covered emergency” occurred; or

- ii) The date you could have the “covered location” re-occupied by a tenant, with reasonable speed, to a level that would have generated the rental income that would have existed if the “covered emergency” had not occurred; or

- iii) Thirty (30) consecutive days after the date determined in **Extended Business Income**

2.b).i). above.

**b. Additional Conditions and Limitations – Business Income and Extended Business Income**

- 1) When alternative locations, whether or not owned by you, could have been used to reduce any Business Income or Extra Expense loss but were not, we will not pay more than the calculable loss would have been had these other locations been used to mitigate loss.
- 2) When post event employee wages are claimed and payable under other coverage provisions of this endorsement, or elsewhere in this policy, they are not eligible for inclusion a second time as part of your continuing normal operating expense.
- 3) In the event that your loss of Emergency Event Business Income ends because it extends beyond the sixty (60) consecutive days provided after the “covered emergency”, your coverage for Emergency Event Extended Business Income will commence only when and if you actually resume “operations” (or tenancy is re-established). Understandably however, it is not always possible to resume “operations” immediately upon expiration of the initial sixty (60) consecutive day period. When this is the case, your coverage for loss of income will not be continuous. An interruption in your coverage for income loss will occur between:
  - a) The end of your Emergency Event Business Income coverage; and
  - b) The start of your Emergency Event Extended Business Income coverage.Such necessary delays in resuming your “operations” will not reduce any loss of Business Income or Extended Business Income payable under this endorsement.
- 4) Emergency Event Business Income and Extended Business Income does not apply to loss of Business Income or loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the

“covered emergency” in the area where the described premises are located.

**c. Loss Determination - Business Income and Extended Business Income**

- 1) The amount of “emergency event business income” loss will be determined based on:
  - a) The Net Income of the business at the “covered location” before the “covered emergency” occurred;
  - b) The likely Net Income of the business at the “covered location” if no “covered emergency” occurred, but not including any Net Income that:
    - i) Was earned due to increased sales or similar activity at other “covered locations” caused by the disruption of “operations” at the “covered location” where the “covered emergency” occurred; or
    - ii) Would have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the “covered emergency” on customers or other businesses;
    - iii) The operating expenses, including payroll expenses, necessary to resume “operations” with the same quality of service that existed just before the “covered emergency” and
    - iv) Other relevant sources of information, including but not limited to:
      - (a) Your financial records and account procedures;
      - (b) Bills, invoices and other vouchers; and
      - (c) Deeds, liens or contracts.

**2. Emergency Event Extra Expense**

- a. We will pay “emergency event extra expense” you incur during the “emergency event period of restoration” caused by or resulting from a “covered emergency” to:

- 1) Avoid or minimize the “suspension” of your business and to continue “operations” at the “covered location” or at temporary or replacement locations, including relocation expenses and additional costs to equip and operate the temporary or replacement location; or
  - 2) Minimize the “suspension” of business if you cannot continue your “operations”.
- b. We will not pay for the cost to repair or replace property.
- c. This coverage ends the earlier of:
- 1) The date your “operations” are restored to a similar condition that would have existed had the “covered emergency” not occurred; or
  - 2) Sixty (60) consecutive days after the “covered emergency” event occurs.
- d. No deductible applies to this Emergency Event Extra Expense coverage.
- e. The amount of “emergency event extra expense” loss will be based on:
- 1) All necessary expenses related to the “covered emergency” that exceed the normal operating expenses that would have been incurred by “operations” during the “emergency event period of restoration” if no “covered emergency” had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the “emergency event period of restoration”, once “operations” are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written, subject to the same plan, terms, conditions and provisions as this insurance;
  - 2) Necessary expenses that reduce the “emergency event business income” loss that otherwise would have not been incurred.
- f. “Emergency event extra expense” applies only to those expenses incurred to deal with your “operations” and does not include other types of expenditures such as ransom money - paid directly or

indirectly to actual or alleged perpetrators causing, or those threatening to cause, a “covered emergency” - or any reward offered relating to such persons whether or not leading to arrest and conviction.

**The following provisions apply to B.1. and B.2 above:**

**3. Limit of Insurance – More than One Covered Location Affected**

Regardless of the number of “covered locations” affected, the most we will pay after a “covered emergency” under the coverages afforded in B.(1) and B.(2) combined shall not exceed the Emergency Event Business Income (and Extra Expense) Limit of Insurance shown in the schedule of this endorsement.

**4. Resumption of Operations - We will reduce the amount of your:**

- a) “Emergency event business income” loss, other than “emergency event extra expense”, to the extent you can resume your “operations”, in whole or in part, at the affected “covered location” or elsewhere;
- b) “Emergency event extra expense” loss to the extent you can return “operations” to normal and discontinue such “emergency event extra expense”.

If you do not resume “operations”, or do not resume “operations” as quickly as possible, we will pay based on the length of time it would have taken to resume “operations” as quickly as possible.

**5. Business Income, Extended Business Income and Extra Expense Coverage when an insured peril and a “covered emergency” jointly cause loss or damage.**

- a. In the event of a covered loss, this endorsement, as well as other parts of the policy, may provide Business Income, Extended Business Income or Extra Expense coverage.
- b. When such parallel coverage exists and a “covered emergency” under this endorsement joins with a covered peril under other policy provisions to produce covered loss or damage resulting in Business Income, Extended Business Income or Extra Expense loss, you:
  - 1) May choose which Business Income, Extended Business Income or Extra Expense coverage to apply to the

- jointly covered Business Income, Extended Business Income or Extra Expense loss.
- 2) May not bundle or otherwise stack applicable limits of insurance to create a limit of insurance greater than the specific limit of insurance applying to the Business Income, Extended Business Income or Extra Expense coverage you have chosen to apply.
- c. If any portion of the loss is not joint, and only one Business Income, Extended Business Income or Extra Expense coverage applies, the terms, conditions and limit of liability for that coverage will be used to determine that portion of the recoverable loss.

#### 6. Post Emergency Event Expense

- a. We will pay your post emergency event expense incurred as a result of a “covered emergency” at your “covered location”. Payment under this coverage will begin immediately after the “covered emergency” and apply for up to sixty (60) consecutive days but will not exceed the Post Emergency Event Limit of Insurance shown in the schedule of this endorsement.
- b. Post emergency event expense means reasonable and necessary expenses incurred by any invitee, meaning your employees, customers and others with legitimate business on site who:
  - 1) Were physically on the affected “covered location” when the “covered emergency” occurred, and
  - 2) Suffered physical or other medically-based harm directly due to the “covered emergency” that results in any of the following:
    - (a) Medical treatment;
    - (b) Psychological counseling or other mental health treatment;
    - (c) Travel costs to and from a local provider of such services; or
    - (d) Funeral and burial expenses for those on site invitees who died as a result of the “covered emergency”.
- c. Coverage is extended only to those whose treatment or expense arises directly from the trauma of the “covered emergency”.

- d. All covered treatments or expenses must take place within sixty (60) consecutive days after the “covered emergency”. If the treatment or expense occurs beyond the sixty (60) day expiration period, it is not covered. This applies even if the treatment or expense was scheduled or paid for before the sixty (60) day coverage period expired.
- e. No coverage is extended or implied beyond that specifically declared above.
- f. This coverage does not extend to include any of the above costs or expenses incurred directly or indirectly by any person (or their families) who, directly or indirectly, instigated, threatened, funded, perpetrated, participated or otherwise supported the activities leading to the “covered emergency”.

#### D. Exclusions

##### 1. Deleted Exclusions - Emergency Event Management Coverage Endorsement

For loss claimed under this endorsement only, the following exclusions under the CP 10 30 are deleted:

- a. **B.1.h. “Fungus”, Wet Rot, Dry Rot and Bacteria;**
- b. **B.2.h. Dishonest or Criminal Acts;**
- c. **B.3.b. Acts or Decisions;** and
- d. **B.3.c. (1) – (4) Faulty, Inadequate or Defective** actions, activities or materials.

Deletion of the foregoing applies only to the terms of this endorsement. All exclusions otherwise continue to apply to all other loss claimed under this policy unless specifically stated otherwise.

##### 2. Additional Exclusions - Emergency Event Management Coverage Endorsement

The following exclusions are added to section **B.1.** of the CP 10 30 for loss claimed under this endorsement only:

- a. Windstorm or hail;
- b. Illegal, dishonest or criminal act by you, or any of your: partners, directors, officers or trustees whether or not:
  - 1) Acting independently or with others without your knowledge;
  - 2) Acting alone or in collusion with others – whether employees or others; or
  - 3) Whether or not occurring during the hours of employment.

- c. Any claim or suit by a third party for bodily injury or property damage including defense costs related to bodily injury or property damage beyond that provided in provision **C.(2)** above.

### **3. Insured Against Events and Consequential Loss**

- a. This endorsement does not apply, and will not respond, to loss events other than those specifically described under the definition for “covered emergency”.
- b. Excepting the specific coverage grants provided within this endorsement, this endorsement does not extend to include consequential loss caused in whole or part by any “covered emergency”.

### **4. Communicable Diseases Viruses**

Except as provide in the “covered illness” definition, this endorsement does not apply, and will not respond, to any loss directly or indirectly attributable to communicable diseases or viruses including, but not limited to:

- a. Anthrax;
- b. Avian Influenza;
- c. Crimean-Congo Hemorrhagic;
- d. Dengue Hemorrhagic Fever;
- e. Ebola Hemorrhagic Fever;
- f. Francisella Tularensis;
- g. Influenza;
- h. Lasso Fever;
- i. Marburg Hemorrhagic Fever;
- j. Meningococcal disease;
- k. Plague;
- l. Rift Valley Fever;
- m. Severe Acute Respiratory Syndrome (SARS);
- n. Smallpox;
- o. Tularemia;
- p. Yellow Fever; and
- q. Any pandemic or similar flu which is defined by the United States Center for Disease Control as a virulent human flu that may cause global outbreak, or pandemic, or serious illness.

### **E. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial

Property Conditions.

#### **1. Appraisal**

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

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

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

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

#### **2. Duties In The Event Of Loss**

- a. In the event of a “covered emergency” you must:
  - 1) Notify law enforcement if a law may have been broken.
  - 2) Within forty-eight (48) hours of the time you, or any of your: partners, directors, officers, trustees or employees with management or supervisory authority, first become aware of it, give us prompt notice of any “covered emergency” or event that is likely to lead to a “covered emergency”. This notification does not guarantee that a “covered emergency” has taken occurred.
  - 3) After a verbal notification to us, upon our request, you must, with immediacy, provide us a written description of the “covered emergency”.
  - 4) Such notice and description will include, but is not limited to:
    - a) Specifics as to when, where and how the “covered emergency” occurred or is occurring;
    - b) The name, address and any other pertinent information pertaining to any injured persons including the

- cause, nature, location and extent of their injuries;
  - c) Witnesses to the event, its origins or injuries to any person, emergency responder, and, when known, potential perpetrators;
  - d) Response activities undertaken by you or others to address the consequences of the “covered emergency”; and
  - e) The nature and location of any physical damage to the “covered location” arising out of the “covered emergency” and the current repair status of such damage.
- 5) Take all reasonable steps to protect your invitees and the covered property at the “covered location” from further injury or damage, and keep a record of your expenses necessary to do so for consideration in the settlement of the claim. These actions do not guarantee such expenses will be covered nor will they increase the Limit of Insurance. In addition, we will not pay for any subsequent injury, loss or damage resulting from other than a “covered emergency”. Also, if feasible, preserve and set damaged property aside and in the best possible order for examination.
- 6) As often as may be reasonably required, permit us to inspect the property proving the injury, loss or damage, and examine your books and records.
- Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- 7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- 8) Cooperate with us in the investigation or settlement of the claim.
- 9) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
- 3. Loss Payment**
- We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this endorsement and:
- a. We have reached agreement with you on the amount of loss; or
  - b. An appraisal award has been made.
- F. Additional Loss Conditions**
1. With respect to the coverages provided by this endorsement:
- a. Section F.1. Additional Conditions, Coinsurance of form CP 0010 does not apply.
  - b. The waiting period deductibles shown in the schedule of this endorsement are the only deductibles that will apply to coverage under this endorsement. Section D. Deductible, of form CP 0010 does not apply.
  - c. When a loss covered under this endorsement occurs due to, or simultaneously with, a loss covered under other provisions of this policy, the deductibles shown in the schedule of this endorsement apply independently, and in addition to, any other deductible that may apply to the combined loss.
  - d. Other Insurance. If there is other insurance covering the same loss under this policy or any other policy, we will pay only the amount of the covered loss in excess of the amount due from the other insurance, whether collectible or not. If the other insurance covers the same loss but includes a higher deductible, we will pay for the difference between the deductible applicable to the coverage in this endorsement and that other Coverage. Other insurance, as it pertains to this endorsement, includes the insurance coverage or non-insurance services provided by an employer's Employee Assistance Plan or similar mental health service. Regardless of other insurance, we will not pay more than the applicable limit of insurance.

2. Loss or damage by a “covered emergency” as provided by this endorsement only applies to the coverages provided by this endorsement. “Covered emergency” does not apply to any other insurance provided by this policy, including but not limited to any coverages for Business Income (and Extra Expense). A “covered emergency” is not a Covered Cause of Loss in any Coverage Form unless specifically added by another endorsement as a Covered Cause of Loss to that Coverage form.

## G. Additional Definitions

With respect to the coverage provided by this endorsement, the following definitions are added. When defined terms shown only in the singular below but used in the plural within the body of the endorsement appear, it is understood that the singular definition is extended to apply to the plural.

1. **“Contaminated” or “contamination”** means to make unfit for use by the introduction of unwholesome or undesirable elements.
2. **“Covered Emergency”** means the following:
  - a. Violent Acts
    - 1) An act committed with malicious intent on your “covered location” against any person(s) or entity’s employee(s) that results in physical injury or death to such person(s) or bystanders.
 

This does not apply to such acts by an committed by you, or any of your: partners, directors, officers or trustees.
    - 2) Attempted or threatened actions with malicious intent to be committed on your “covered location” against any person(s) or entity’s employees that is likely to result in physical injury or death to such person(s) or bystanders.
      - a) This does not apply to such attempts or threats committed by you, or any of your: partners, directors, officers or trustees.
      - b) For coverage to apply, such attempts or threats must be credible and plausible.
    - 3) An act committed with malicious intent on your “covered location” against any person(s) or entities that results in direct physical loss or damage to your

premises or the property of others at the “covered location”.

This does not apply to such acts by an committed by you, or any of your: partners, directors, officers or trustees.

- 4) Attempted or threatened actions with malicious intent to be committed on your “covered location” against any person(s) or entities that is likely to result in direct physical loss or damage to your premises or the property of others at the “covered location”.
  - a) This does not apply to such attempts or threats committed by you, or any of your: partners, directors, officers or trustees.
  - b) For coverage to apply, such attempts or threats must be credible, plausible and reported to law enforcement.
- b. Premises Contamination.
  - 1) Necessary closure of all or part of your “covered location” due to any sudden, accidental, and unintentional “contamination” or impairment of the “covered location” which results in clear, visible and identifiable, internal or external symptoms of bodily injury, illness, or death of any person(s).
  - 2) This includes a “covered location” “contaminated” by “covered illness”, but does not include “contamination” of the “covered location”, in whole or part, by other “pollutants”, “fungi” or bacteria except as provided under “covered illness”.
  - 3) Confirmation of both the existence of the “covered illness”, and “covered location” that the “covered illness” has “contaminated” must be confirmed by a qualified expert or experts and reliable laboratory testing.
- c. Contaminated Food or Beverage.
  - 1) Necessary closure of all or part of your “covered location” by order of the governing Board of Health because of discovery or suspicion that “contaminated” food or beverage has been served to patrons at your “covered location”; or

- 2) Necessary announcement either by you or any governmental body warning the public of a health hazard at your “covered location” because of either the discovery of, or verified suspicion that, “contaminated” food or beverage has been served to your patrons.
- d. Specified Felonies. The following felonies, whether committed, attempted, or threatened on your “covered premises”:
- 1) Child abduction or kidnapping. The wrongful and illegal seizure (or threat thereof) of a child under age sixteen (16) from your “covered location” by someone other than the child’s parent or guardian, whether or not a parent or guardian possesses a legal right to hold a child, when a child’s parent (whether natural or adoptive) or guardian seizes the child, under this coverage, such seizure is not considered an abduction or kidnapping;
  - 2) Stalking and abduction (or threat thereof) of one or more of your employees or customers by other than a family member;
  - 3) Sexual assault (of threat thereof). Such assault must be confirmed by a qualified medical opinion; or
  - 4) Criminal use of a firearm or device designed to cause harm or damage (or threat thereof);
- e. Other Emergency Incidents Not Caused by a “Covered Emergency”. When one of the following events occurs at your “covered property”:
- 1) Explosion;
  - 2) Fire;
  - 3) Construction accident;
  - 4) Equipment failure; or
  - 5) Workplace accident;
- and results in significant injury or damage and adverse regional or national news media coverage of your business or “operations”.
3. “Covered Location” means:
- a) That part of a premises you occupy which is listed as insured by this policy, including the area within 1,000 feet of that property.
  - b) If you have more than one “covered location”, the term “covered location” means only the location at which the “covered emergency” occurred.
  - c) If you occupy only part of the site at the “covered location”, this phrase is further defined as:
    - 1) The portion of the building which you rent, lease or occupy; and
    - 2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
4. “Covered Illness” means bacterial microorganisms transmitted through human contact with food. “Covered Illness” also includes the hepatitis virus, legionnaire’s disease and noroviruses as defined by the United States Center for Disease Control. “Covered Illness” does not include any other types of communicable viruses or diseases.
5. “Emergency event business income” means:
- a) Net income (net profit or loss before income taxes) – including “rental value” - that would have been earned or incurred before the “covered emergency” at the “covered location”; and
  - b) Continuing normal operating expenses incurred, including payroll, at the “covered location”.
6. “Emergency event extra expense” means necessary temporary expenses at the “covered location”, such as the cost of temporary additional security, you incur during the “emergency event period of restoration”.
7. “Emergency event period of restoration” means the period of time that:
- a) Begins:
    - 1) For **Business Income** - After the Waiting Period Deductible shown in the schedule of this endorsement following the date of the “covered emergency”; and
    - 2) For **Extra Expense** – On the date of the “covered emergency” at a “covered location”; and
  - b) Ends:
 

**Business Income and Extra Expense** - On the shorter of:

- 1) The date when, using reasonable speed, the "operations" at your "covered location" should be resumed or the "covered location" can be re-occupied by a tenant; or
  - 2) Sixty (60) consecutive days after the "covered emergency" occurred.
8. **"Fungi"** means any type or form of fungus, including but not limited to fungus, mildew, mold or resulting spores and byproducts, including mycotoxins, or allergens. However, "fungi" does not include "fungi" on food for human consumption.
  9. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
  10. **"Operations"** means:
    - a) Your business activities occurring at the "covered location"; and
    - b) The ability to rent your "covered location" for "rental value".
  11. **"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 "covered location" as furnished and equipped by you, including fair rental value of any portion of the scheduled premises which is occupied by you; and
    - b) Continuing normal operating expenses incurred in connection with that scheduled location, including:
      - 1) Payroll; and
      - 2) The amount of charges which are legal obligation of the tenant(s) but would otherwise be your obligations.
  12. **"Suspension"** means
    - a) The slowdown or cessation of your business activities; or
    - b) The part or all of the "covered location" that is rendered un-rentable due to the "covered emergency".

**All other provisions of this policy remain unchanged.**