

SERFF Tracking Number: EMCC-125779348 State: Arkansas
First Filing Company: EMC Property & Casualty Company, ... State Tracking Number: EFT \$50
Company Tracking Number: AR-CP-2008-06
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Commercial Property
Project Name/Number: /

Filing at a Glance

Companies: EMC Property & Casualty Company, EMCASCO Insurance Company, Employers Mutual Casualty Company, Union Insurance Company of Providence

Product Name: Commercial Property SERFF Tr Num: EMCC-125779348 State: Arkansas
TOI: 01.0 Property SERFF Status: Closed State Tr Num: EFT \$50
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines) Co Tr Num: AR-CP-2008-06 State Status: Fees verified and received
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins
Author: Jo Byers Disposition Date: 08/22/2008
Date Submitted: 08/18/2008 Disposition Status: Approved
Effective Date Requested (New): 11/01/2008 Effective Date (New): 11/01/2008
Effective Date Requested (Renewal): 11/01/2008 Effective Date (Renewal): 11/01/2008

State Filing Description:

General Information

Project Name: Status of Filing in Domicile: Not Filed
Project Number: Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 08/22/2008 Deemer Date:
State Status Changed: 08/22/2008
Corresponding Filing Tracking Number:
Filing Description:
August 18, 2008

Commissioner of Insurance
Arkansas Insurance Department

SERFF Tracking Number: EMCC-125779348 *State:* Arkansas
First Filing Company: EMC Property & Casualty Company, ... *State Tracking Number:* EFT \$50
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TOI: 01.0 Property *Sub-TOI:* 01.0001 Commercial Property (Fire and Allied Lines)

Product Name: Commercial Property

Project Name/Number: /

1200 West Third St.
Little Rock, AR 72201-1904

EMPLOYERS MUTUAL CASUALTY COMPANY – 062-21415
EMCASCO INSURANCE COMPANY – 062-21407
UNION INSURANCE COMPANY OF PROVIDENCE – 062-21423
EMC PROPERTY & CASUALTY COMPANY – 062-25186

Commercial Property

Form Revision

Company File # AR-CP-2008-06

Effective: November 1, 2008

The captioned companies are members of Insurance Services Office which files the Commercial Property program and revisions on our behalf. We are submitting a form revision to be applicable to policies written on or after November 1, 2008.

We are submitting a form revision in connection with our adoption of ISO's Multistate Forms Revision found in filing designation number CF-2007-OFR07. A memorandum outlining these revisions is attached.

We supplement this filing with the following:

- \$50.00 filing fee (EFT)
- Property-Casualty Transmittal Document
- Form Memorandum
- Mocked up forms
- Final printed copies of our forms

We respectfully request your approval of this filing to be applicable to policies written on or after November 1, 2008.
Thank you.

Jo L. Byers, Filings Analyst

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Product Name: Commercial Property
 Project Name/Number: /

Rates and Filings Dept.
 (800) 247-2128 Ext. 2707
 jo.l.byers@emcins.com

Company and Contact

Filing Contact Information

Jo Byers, Filings Analyst
 PO Box 712
 Des Moines, IA 50306-0712
 Jo.L.Byers@EMCIns.com
 (800) 247-2128 [Phone]
 (515) 345-2223[FAX]

Filing Company Information

EMC Property & Casualty Company	CoCode: 25186	State of Domicile: Iowa
717 Mulberry Street	Group Code: 62	Company Type: P & C
Des Moines, IA 50309	Group Name:	State ID Number:
(800) 247-2128 ext. [Phone]	FEIN Number: 63-0329091	

EMCASCO Insurance Company	CoCode: 21407	State of Domicile: Iowa
717 Mulberry Street	Group Code: 62	Company Type: P & C
Des Moines, IA 50309	Group Name:	State ID Number:
(800) 247-2128 ext. [Phone]	FEIN Number: 42-6070764	

Employers Mutual Casualty Company	CoCode: 21415	State of Domicile: Iowa
717 Mulberry Street	Group Code: 62	Company Type: P & C
Des Moines, IA 50309	Group Name:	State ID Number:
(800) 247-2128 ext. [Phone]	FEIN Number: 42-0234980	

Union Insurance Company of Providence	CoCode: 21423	State of Domicile: Iowa
717 Mulberry Street	Group Code: 62	Company Type: P & C
Des Moines, IA 50309	Group Name:	State ID Number:
(800) 247-2128 ext. [Phone]	FEIN Number: 05-0230479	

Filing Fees

SERFF Tracking Number: EMCC-125779348 *State:* Arkansas
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Product Name: Commercial Property
Project Name/Number: /

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
EMC Property & Casualty Company	\$0.00	08/18/2008	
EMCASCO Insurance Company	\$0.00	08/18/2008	
Employers Mutual Casualty Company	\$50.00	08/18/2008	21987182
Union Insurance Company of Providence	\$0.00	08/18/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	08/22/2008	08/22/2008

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Product Name: Commercial Property
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Disposition

Disposition Date: 08/22/2008
Effective Date (New): 11/01/2008
Effective Date (Renewal): 11/01/2008
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

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

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Form Memorandum	Approved	Yes
Form	Broadened Property Coverage Extension	Approved	Yes
Form	Equipment Protection Endorsement	Approved	Yes
Form	Equipment Breakdown Endorsement	Approved	Yes
Form	Property Extension Endorsement	Approved	Yes
Form	Wholesalers Industry Extension	Approved	Yes
Form	Metal Goods Manufactures Industry Extension	Approved	Yes
Form	Printers' Industry Extension	Approved	Yes
Form	Financial Institutions Property Extension endorsement	Approved	Yes
Form	Quick Reference	Approved	Yes
Form	Hospitals Industry Extension	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Broadened Property Coverage Extension	CP7159	5-08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 CP7159 10-02 Previous Filing #:		CP7159_200805.pdf CP7159_200210_Marked up.pdf
Approved	Equipment Protection Endorsement	CP7313	5-08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 CP7313 1-04 Previous Filing #:		CP7313_200805.pdf CP7313_200401_marked up.pdf
Approved	Equipment Breakdown Endorsement	CP7314	5-08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 CP7314 1-04 Previous Filing #:		CP7314_200805.pdf CP7314_200401_marked up.pdf
Approved	Property Extension Endorsement	CP7320	5-08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 CP7320 6-07 Previous Filing #:		CP7320_200805.pdf CP7320_200706_marked up.pdf
Approved	Wholesalers Industry Extension	CP7321	5-08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 CP7321 6-05 Previous Filing #:		CP7321_200805.pdf CP7321_200506_Marked up.pdf
Approved	Metal Goods Manufactures Industry Extension	CP7322	5-08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 CP7322 6-05 Previous Filing #:		CP7322_200805.pdf CP7322_200506_Marked up.pdf
Approved	Printers' Industry Extension	CP7323	5-08	Endorsement/Amendment	Replaced Form #:0.00 CP7323 6-05		CP7323_200805.pdf

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Approval	Category	File No	Date	Description	Amount	Previous Filing #:	File Name
Approved	Financial Institutions Property Extension endorsement	CP7327	5-08	Endorsement/Amendment/Conditions	0.00	CP7327 3-06	CP7327_200506_Marked up.pdf
Approved	Quick Reference	CP7007.1	5-08	Endorsement/Amendment/Conditions	0.00	CP7007.1 10-00	CP7007_1_200805.pdf
Approved	Hospitals Industry Extension	CP7334	5-08	Endorsement/Amendment/Conditions	0.00		CP7007_1_200010_mark ed up.pdf
							CP7334_200805.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BROADENED PROPERTY COVERAGE EXTENSION

This endorsement modifies insurance provided under the following:

- COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- COMMERCIAL PROPERTY COVERAGE PART – CONDOMINIUM ASSOCIATION COVERAGE FORM
- COMMERCIAL PROPERTY COVERAGE PART – CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- COMMERCIAL PROPERTY COVERAGE PART – BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
- COMMERCIAL PROPERTY COVERAGE PART – BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
- COMMERCIAL PROPERTY COVERAGE PART – EXTRA EXPENSE COVERAGE FORM
- COMMERCIAL PROPERTY COVERAGE PART – CAUSES OF LOSS – SPECIAL FORM

The provisions of the Building And Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form, Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form and Causes Of Loss – Special Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Parts.

If any of the property covered by this endorsement is also covered under any other provisions of either the policy of which this endorsement is made a part or any other policy issued by us, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such policy.

I. Changes To Building And Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form

- A. The Fire Department Service Charge** limit under **Additional Coverages** in the **Coverage** section is increased to \$5,000.
- B. The Newly Acquired Or Constructed Property-Buildings** limit under **Coverage Extensions** in the **Coverage** section is increased to \$500,000.
- C. The Newly Acquired Or Constructed Property-Your Business Personal Property** limit under **Coverage Extensions** in the **Coverage** section is increased to \$250,000.
- D. The Newly Acquired Or Constructed Property Period Of Coverage** under **Coverage Extensions** in the **Coverage** section is increased to 90 days.
- E. Personal Effects And Property Of Others** under **Coverage Extensions** in the **Coverage** section is deleted and replaced by the following:

1. Personal Effects And Property Of Others

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

- a. Personal effects owned by you, your officers, your partners or members, your managers or your employees.**
The most we will pay for loss or damage by a Covered Cause Of Loss under this Extension is \$10,000 at each described premises.
This Extension does not apply to loss or damage by theft.
- b. Personal property of others in your care, custody or control.**
The most we will pay for loss or damage by a Covered Cause Of Loss under this Extension is \$10,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

F. The Valuable Papers And Records (Other Than Electronic Data) limit under **Coverage Extensions** in the **Coverage** section is increased to \$25,000.

G. The Property Off-premises limit under **Coverage Extensions** in the **Coverage** section is increased to \$25,000.

H. Outdoor Property under **Coverage Extensions** in the **Coverage** section is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than “stock” of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- 1. Fire;
- 2. Lightning;
- 3. Explosion;

4. Riot or Civil Commotion;
5. Aircraft or Vehicles;
6. Windstorm or Hail;
7. Smoke; or
8. Vandalism

The most we will pay for loss or damage under this Extension is \$10,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

I. The following coverages are added to **Coverage Extensions** in the **Coverage** section:

1. Money and Securities

- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, while at the described premises, or in transit between these places, or in the custody of a person you have authorized to have custody of the "money" or "securities," resulting directly from:
 - (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
- b. In addition to the Limitations and Exclusions, we will not pay for loss:
 - (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase; or
 - (3) Of property contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. All loss:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
 is considered one occurrence.
- d. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- e. In the event of loss or damage we will determine the value as follows:
 - (1) "Money" at its face value; and
 - (2) "Securities" at their value at the close of business on the day the loss is discovered.
- f. "Money" means
 - (1) Currency, coins and bank notes in current use and having a face value; and

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

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

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

but does not include "money."

- h. The most we will pay under this extension for loss in any one occurrence is \$5,000.

2. Accounts Receivable

You may extend the insurance that applies to Covered Property to cover the following loss and expenses which are the direct result of loss or damage by a Covered Cause of Loss to accounts receivable records:

- a. All sums due you from customers, provided you are unable to effect collection.
- b. Collection expenses in excess of normal collection costs made necessary because of loss or damage; or
- c. Other reasonable expenses incurred by you in re-establishing records of accounts receivable following such loss or damage.

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

3. Extra Expense

We will pay necessary Extra Expense (other than the expense to repair or replace property) you incur during the "period of restoration," that you would not have incurred if there had been no direct physical loss or damage from a Covered Cause of Loss to property at the described premises, including personal property in the open (or in a vehicle) within 1,000 feet, caused by or resulting from a Covered Cause of Loss. Extra Expense means expense incurred:

- a. To avoid or minimize the suspension of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

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

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

We will not pay for:

- (1) Any Extra Expense caused by or resulting from:
- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract; or
 - (c) Action taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data. Electronic data has the meaning described under Property Not Covered – Electronic Data.

- (2) Any other consequential loss.

"Period of restoration" means the period of time that:

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

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

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

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

"Operations" means your business activities occurring at the described premises.

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

4. Arson Rewards

You may extend the insurance provided by this Coverage Form to apply to rewards given to any person or persons, other than you, your officers, your employees or your active members, for information leading to an arson conviction in connection with a fire loss to the described premises.

The most we will pay under this Extension is \$5,000 per fire loss. This is the most we will pay regardless of the number of persons who provided information.

5. Water Damage

You may apply up to \$2,500 for each described premises to cover loss or damage caused directly or indirectly by water that backs up from a sewer or drain. Such loss or damage is excluded, however, if any other cause or event which is not a Covered Cause of Loss contributes concurrently or in a sequence. The most we will pay in any one policy period is \$15,000.

6. Fire Extinguishing System Recharge

We will pay the cost to recharge your approved, industry standard fire extinguishing system if it discharges to fight a fire. We will also cover the cost to recharge the system if it accidentally discharges.

But we will not pay for any loss that occurs at the time of installation, repair or recharge of the system.

7. Fine Arts

We will pay for direct physical loss or damage caused by a Covered Cause of Loss to your fine arts or fine arts of others in your care, custody or control. For the purpose of this Extension, fine arts means paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, porcelains and other bona fide works of art of rarity, historical value or artistic merit. This Extension is subject to the following:

- a. Fine arts does not include stained glass which is a part of the described premises;
- b. The value of fine arts will be determined at market value at the time of loss or damage;
- c. The most we will pay under this Extension is \$10,000 at each described premises.

In case of loss or damage to a pair or set, we will pay you the full value of the pair or set and you agree to surrender the remaining article(s) of the pair or set to us.

8. Spoilage Coverage

The most we will pay under this coverage extension is \$2,500.

- a. This policy is extended to cover “perishable stock” at the described premises owned by you or by others that is in your care, custody or control.

“Perishable stock” is defined as personal property that is:

- (1) maintained under controlled conditions for its preservation; and
- (2) susceptible to loss or damage if the controlled conditions change.

- b. For the purpose of this Extension only, the Covered Cause of Loss is defined as:

- (1) Breakdown or Contamination, meaning:

- (a) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
- (b) Contamination by the refrigerant.

- (2) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption or surge of electrical power, either on or off the described premises, due to conditions beyond your control.

- c. For the purpose of this Extension only, the following Exclusions are added:

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

- (1) The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- (2) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
 - (a) lack of fuel; or
 - (b) governmental order.
- (3) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- (4) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

9. Cost of Taking Inventory

If a Covered Cause of Loss occurs to Covered Property, we will reimburse you for your expense to take inventories, obtain appraisals, and prepare a statement of loss and supporting documents to prove the amount of the loss.

We will not pay for expenses or fees you incur from public insurance adjusters or for expenses related to claims not covered by this policy.

The most we will pay under this Extension is \$2,500.

10. Utility Services – Direct Damage

a. Coverage

We will pay for loss of or damage to Covered Property caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph c.

b. Exception

This Coverage Extension for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning described under Property Not Covered – Electronic Data.

c. Utility Services

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

- (a) Pumping stations; and
- (b) Water mains.

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

- (a) Communication transmission lines, including optic fiber transmission lines;
- (b) Coaxial cables;
- (c) Microwave radio relays except satellites.

Communication Supply Services does not include overhead transmission lines.

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

- (a)** Utility generating plants;
- (b)** Switching stations;
- (c)** Substations;
- (d)** Transformers; and
- (e)** Transmission lines.

Power Supply Services does not include overhead transmission lines.

- d.** The most we will pay for loss or damage under this Coverage Extension is \$25,000 in any one occurrence. This Coverage Extension, Utility Services – Direct Damage, does not increase the applicable Limit of Insurance.
- J.** The limit applicable to outdoor signs, whether or not the sign is attached to a building, under **Limits Of Insurance** is increased to \$10,000.

II. Changes To The Causes Of Loss – Special Form

A. The **Property In Transit** limit under **Additional Coverage Extensions** is increased to \$25,000.

III. Changes To Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form.

A. The **Newly Acquired Locations** limit under **Coverage Extension** in the **Coverage** section is increased to \$250,000.

B. The number of days for **Newly Acquired Locations** under **Coverage Extension** in the **Coverage** section is increased to 90.

IV. Changes To Building And Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form, Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form.

A. Throughout the forms modified by this endorsement the words “within 100 feet” are replaced with “within 1,000 feet.”

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BROADENED PROPERTY COVERAGE EXTENSION

This endorsement modifies insurance provided under the following:

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

COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM
COMMERCIAL PROPERTY COVERAGE PART – CONDOMINIUM ASSOCIATION COVERAGE FORM
COMMERCIAL PROPERTY COVERAGE PART – CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
COMMERCIAL PROPERTY COVERAGE PART – BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
COMMERCIAL PROPERTY COVERAGE PART – BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
COMMERCIAL PROPERTY COVERAGE PART – EXTRA EXPENSE COVERAGE FORM
COMMERCIAL PROPERTY COVERAGE PART – CAUSES OF LOSS – SPECIAL FORM

POLICY ADDITIONS

The following paragraphs are added to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

The provisions of the Building And Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form, Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form and Causes Of Loss – Special Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Parts.

If any of the property covered by this endorsement is also covered under any other provisions of either the policy of which this endorsement is made a part or any other policy issued by us, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such policy.

I. Changes To Building And Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form

- A. The Fire Department Service Charge limit under Additional Coverages in the Coverage section is increased to \$5,000.**
- B. The Newly Acquired Or Constructed Property-Buildings limit under Coverage Extensions in the Coverage section is increased to \$500,000.**
- C. The Newly Acquired Or Constructed Property-Your Business Personal Property**

limit under Coverage Extensions in the Coverage section is increased to \$250,000.

D. The Newly Acquired Or Constructed Property Period Of Coverage under Coverage Extensions in the Coverage section is increased to 90 days.

E. Personal Effects And Property Of Others under Coverage Extensions in the Coverage section is deleted and replaced by the following:

1. Personal Effects And Property Of Others

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

a. Personal effects owned by you, your officers, your partners or members, your managers or your employees.

The most we will pay for loss or damage by a Covered Cause Of Loss under this Extension is \$10,000 at each described premises.

This Extension does not apply to loss or damage by theft.

b. Personal property of others in your care, custody or control.

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

F. The Valuable Papers And Records (Other Than Electronic Data) limit under Coverage Extensions in the Coverage section is increased to \$25,000.

G. The Property Off-premises limit under Coverage Extensions in the Coverage section is increased to \$25,000.

H. Outdoor Property under Coverage Extensions in the Coverage section is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

1. Fire;
2. Lightning;
3. Explosion;
4. Riot or Civil Commotion;
5. Aircraft or Vehicles;
6. Windstorm or Hail;
7. Smoke; or
8. Vandalism

The most we will pay for loss or damage under this Extension is \$10,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

A. COVERAGE

5. Coverage Extensions

I. The following coverages are added to Coverage Extensions in the Coverage section:

1. Money and Securities

a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, while at the described premises, or in transit between these places, or in the custody of a person you have authorized to have custody of the "money" or "securities," resulting directly from:

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

b In addition to the Limitations and Exclusions, we will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) Of property contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

c All loss:

- (1) Caused by one or more persons; or

(2) Involving a single act or series of related acts;

is considered one occurrence.

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

e. In the event of loss or damage we will determine the value as follows:

- (1) "Money" at its face value; and
- (2) "Securities" at their value at the close of business on the day the loss is discovered.

f. "Money" means

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

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

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

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

2. Accounts Receivable

You may extend the insurance that applies to Covered Property to cover the following loss and expenses which are the direct result of loss or damage by a Covered Cause of Loss to accounts receivable records:

- a. All sums due you from customers, provided you are unable to effect collection.
- b. Collection expenses in excess of normal collection costs made necessary because of loss or damage; or
- c. Other reasonable expenses incurred by you in re-establishing records of accounts receivable following such loss or damage.

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

3. Extra Expense

We will pay necessary Extra Expense (other than the expense to repair or replace property) you incur during the "period of restoration," that you would not have in-

curred if there had been no direct physical loss or damage from a Covered Cause of Loss to property at the described premises, including personal property in the open (or in a vehicle) within 1,000 feet, caused by or resulting from a Covered Cause of Loss. Extra Expense means expense incurred:

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

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

We will not pay for:

- (1) Any Extra Expense caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (b) Suspension, lapse or cancellation of any license, lease or contract.

(c) Action taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data. Electronic data has the meaning described under Property Not Covered – Electronic Data.

- (2) Any other consequential loss.

"Period of restoration" means the period of time that:

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

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

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

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

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

"Operations" means your business activities occurring at the described premises.

The most we will pay for loss under this Additional Coverage is \$25,000 for each described premises.

4. Arson Rewards

You may extend the insurance provided by this Coverage Form to apply to rewards given to any person or persons, other than you, your officers, your employees or your active members, for information leading to an arson conviction in connection with a fire loss to the described premises.

The most we will pay under this Extension is \$5,000 per fire loss. This is the most we will pay regardless of the number of persons who provided information.

5. Water Damage

You may apply up to \$2,500 for each described premises to cover loss or damage caused directly or indirectly by water that backs up from a sewer or drain. Such loss or damage is excluded, however, if any other cause or event which is not a Covered Cause of Loss contributes concurrently or in a sequence. The most we will pay in any one policy period is \$15,000.

6. Fire Extinguishing System Re-charge

We will pay the cost to recharge your approved, industry standard fire extinguishing system if it discharges to fight a fire. We will also cover the cost to recharge the system if it accidentally discharges.

But we will not pay for any loss that occurs at the time of installation, repair or recharge of the system.

7. Fine Arts

We will pay for direct physical loss or damage caused by a Covered Cause of Loss to your fine arts or fine arts of others in your care, custody or control. For the purpose of this extension fine arts means paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, porcelains and other bona fide works of art of rarity, historical value or artistic merit. This Extension is subject to the following:

- a. Fine Arts does not include stained glass which is a part of the described premises;

- b. The value of fine arts will be determined at market value at the time of loss or damage;
- c. The most we will pay under this Extension is \$10,000 at each described premises.

In case of loss or damage to a pair or set, we will pay you the full value of the pair or set and you agree to surrender the remaining article(s) of the pair or set to us.

8. Spoilage Coverage

The most we will pay under this coverage extension is \$2,500.

- a. This policy is extended to cover "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

"Perishable stock" is defined as personal property that is:

- (1) maintained under controlled conditions for its preservation; and
- (2) susceptible to loss or damage if the controlled conditions change.

- b. For the purpose of this extension only, the Covered Cause of Loss is defined as:

- (1) Breakdown or Contamination, meaning:

- (a) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
- (b) Contamination by the refrigerant.

- (2) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption or surge of electrical power, either on or off the described premises, due to conditions beyond your control.

- (c) For the purpose of this extension only, the following Exclusions are added:

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

- (1) The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- (2) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
 - (1) lack of fuel; or
 - (2) governmental order.

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

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

9. Cost of Taking Inventory

If a Covered Cause of Loss occurs to Covered Property, we will reimburse you for your expense to take inventories, obtain appraisals, and prepare a statement of "loss" and supporting documents to prove the amount of the "loss."

We will not pay for expenses or fees you incur from public insurance adjusters or for expenses related to claims not covered by this policy.

The most we will pay under this Extension is \$2,500.

~~p~~10. Utility Services – Direct Damage

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

- ~~1. Water Supply Services, meaning pumping stations and water mains supplying water to the described premises.~~

- ~~2. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:~~

- ~~a. Communication transmission lines, including optic fiber transmission lines;~~

- ~~b. Coaxial cables;~~

- ~~c. Microwave radio relays except satellites.~~

~~It does not include overhead transmission lines.~~

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

~~It does not include overhead transmission lines.~~

a. Coverage

We will pay for loss of or damage to Covered Property caused by an interruption in utility service to the described

premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph c.

b. Exception

This Coverage Extension for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning described under Property Not Covered – Electronic Data.

c. Utility Services

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

- (a) Pumping stations; and
- (b) Water mains.

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

- (a) Communication transmission lines, including optic fiber transmission lines;
- (b) Coaxial cables;
- (c) Microwave radio relays except satellites.

Communication Supply Services does not include overhead transmission lines.

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

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;
- (d) Transformers; and
- (e) Transmission lines.

Power Supply Services does not include overhead transmission lines.

d. The most we will pay for loss or damage under this Coverage Extension is \$25,000 in any one occurrence. This Coverage Extension, Utility Services – Direct Damage, does not increase the applicable Limit of Insurance.

J. The limit applicable to outdoor signs, whether or not the sign is attached to a building, under **Limits Of Insurance** is increased to \$10,000.

II. Changes To The Causes Of Loss – Special Form

A. The **Property In Transit** limit under **Additional Coverage Extensions** is increased to \$25,000.

III. Changes To Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form.

A. The **Newly Acquired Locations** limit under **Coverage Extension** in the **Coverage** section is increased to \$250,000.

B. The number of days for **Newly Acquired Locations** under **Coverage Extension** in the **Coverage** section is increased to 90.

IV. Changes To Building And Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form, Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form.

A. Throughout the forms modified by this endorsement the words “within 100 feet” are replaced with “within 1,000 feet.”

POLICY CHANGES

~~The **BUILDING AND PERSONAL PROPERTY COVERAGE FORM** is amended as follows:~~

A. COVERAGE

4. Additional Coverages

~~**c. Fire Department Service Charge** is deleted in its entirety and is replaced by the following:~~

c. Fire Department Service Charge

~~When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$5,000 for your liability for fire department service charges:~~

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

~~No Deductible applies to this Additional Coverage.~~

5. Coverage Extensions

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

~~If a Coinsurance percentage of 80% or more, or a Value Reporting period, is shown in the Declarations, you may extend this insurance as follows:~~

a. Newly Acquired or Constructed Property

~~**(1)** If this policy covers Building, you may extend that insurance to apply to:~~

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

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

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

~~(ii) Use as a warehouse.~~

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

~~(2) Your Business Personal Property~~

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

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

~~(ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or~~

~~(iii) Business personal property that you newly acquire, located at the described premises.~~

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

~~(3) Period of Coverage~~

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

~~(a) This policy expires;~~

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

~~(c) You report values to us.~~

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

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

~~b. Personal Effects and Property of Others~~

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

~~(1) Personal effects owned by you, your officers, your partners or members, your managers or your employees.~~

~~The most we will pay for loss of or damage by a Covered Cause of Loss under this extension is \$10,000.~~

~~This extension does not apply to loss or damage by theft.~~

~~(2) Personal property of others in your care, custody or control.~~

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

~~c. Valuable Papers and Records (Other than Electronic Data) the last sentence is amended to read as follows:~~

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

~~d. Property Off Premises is deleted in its entirety and is replaced by the following:~~

~~d. Property Off Premises~~

~~(1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property, while it is away from the described premises, if it is:~~

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

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

~~(c) At any fair, trade show or exhibition.~~

~~(2) This Extension does not apply to property:~~

~~(a) In or on a vehicle; or~~

~~(b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.~~

~~The most we will pay for loss or damage by a Covered Cause of Loss under this Extension is \$25,000.~~

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

~~e. Outdoor Property~~

~~You may extend the insurance provided by this Coverage form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:~~

~~(1) Fire;~~

~~(2) Lightning;~~

~~(3) Explosion;~~

~~(4) Riot or Civil Commotion;~~

~~(5) Aircraft or Vehicles;~~

~~(6) Windstorm or Hail;~~

~~(7) Smoke; or~~

~~(8) Vandalism.~~

~~The most we will pay for loss or damage under this Extension is \$10,000 but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence regardless of the types or number of items lost or damaged in that occurrence.~~

~~C. LIMITS OF INSURANCE the second paragraph is deleted in its entirety and replaced by the following:~~

~~The most we will pay for loss or damage to outdoor signs attached to buildings is \$10,000 per sign in any one occurrence.~~

~~POLICY CHANGES~~

~~The **BUSINESS INCOME COVERAGE FORM** is amended as follows:~~

~~**A. COVERAGE**~~

~~**6. Coverage Extension**~~

~~If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:~~

~~**Newly Acquired Locations**~~

~~a. You may extend your Business Income Coverage to apply to property at any location you acquire other than fairs or exhibitions.~~

~~b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$250,000 at each location.~~

~~c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:~~

~~(1) This policy expires;~~

~~(2) 90 days expire after you acquire or begin to construct the property; or~~

~~(3) You report values to us.~~

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

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

~~The **CAUSES OF LOSS SPECIAL FORM** is amended as follows:~~

~~**E. ADDITIONAL COVERAGE EXTENSIONS**~~

~~Paragraph 1.c. is amended as follows:~~

~~**1. Property In Transit**~~

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

~~**POLICY CHANGES**~~

~~The **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**, **BUSINESS INCOME COVERAGE FORM** and the **CAUSES OF LOSS SPECIAL FORM** are amended as follows:~~

~~Throughout the forms modified by this endorsement the words "within 100 feet" are replaced with "within 1,000 feet."~~

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT PROTECTION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following is added to the applicable Causes of Loss Form or Coverage Form:

A. Additional Coverage – Equipment Breakdown

1. The term Covered Cause of Loss includes the Additional Coverage – Equipment Breakdown as described and limited below:

- a. This insurance is extended to apply to loss or damage caused by or resulting from an “accident.”
- b. The following coverage extensions apply to loss or damage to Covered Property caused by or resulting from an “accident.” These coverages do not provide additional amounts of insurance.

(1) Expediting Expenses

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

- (a) Make temporary repairs; and
- (b) Expedite permanent repairs or permanent replacement.

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

(2) Hazardous Substances

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

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

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000.

(3) Electrical Generating Equipment

- (a) We will pay for loss or damage to “electrical generating equipment” capable of producing a maximum output of 500 kilowatts based on the nameplate rating.

- (b) We will only pay for loss or damage to “electrical generating equipment” that exceeds:

- (i) The dollar amount that results from multiplying 40 times the number of kilowatts the equipment is capable of producing based on the nameplate rating; or

- (ii) The dollar Deductible shown in the Declarations for all Covered Causes of Loss,

whichever is greater.

- (c) We will not pay for any loss of Business Income you sustain or Extra Expense you incur during the first 30 days following the “accident.”

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$250,000.

(4) Service Interruption

- (a) Any insurance provided for Business Income or Extra Expense is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an “accident” to equipment, including overhead transmission lines, that is owned by a utility, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.

- (b) We will not pay for Business Income you sustain that results from the interruption of utility services during the first 24 hours following the "accident." However, if the "period of restoration" begins more than 24 hours after the time of the direct physical damage for Business Income, then that time period will apply instead of the 24 hours provided for in this paragraph.
- (c) The most we will pay in any one "accident" for loss, damage or expense under this coverage is the limit that applies to Business Income or Extra Expense.

(5) Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement.

c. CONDITIONS

(1) Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

- (a) Your last known address; or
- (b) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

(2) Jurisdictional Inspections

If any property that is "covered equipment" under this Additional Coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

(3) Environmental, Safety and Efficiency Improvements

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

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

d. DEFINITIONS

(1) An "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:

- (a) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (b) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (c) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (d) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (e) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

If an initial "accident" causes other "accidents," all will be considered one "accident." All "accidents" that are the result of the same event will be considered one "accident."

(2) "Covered equipment" means Covered Property that:

- (a) Transmits, generates or utilizes energy; or
- (b) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

- (3) "Electrical Generating Equipment"**
- (a)** "Electrical Generating Equipment" means equipment which converts any other form of energy into electricity. This includes, but is not limited to, the following:
- (i)** Boilers used primarily to provide steam for one or more turbine-generator units;
 - (ii)** Turbine-generators (including steam, gas, water or wind turbines);
 - (iii)** Engine-generators;
 - (iv)** Fuel cells or other alternative electrical generating equipment;
 - (v)** Electrical transformers, switchgear and power lines used to convey the generated electricity; and
 - (vi)** Associated equipment necessary for the operation of any of the equipment listed in **(i)** through **(v)** above.
- (b)** "Electrical Generating Equipment" does not mean elevator or hoist motors that generate electricity when releasing cable.
- (4)** "Data" means information or instructions stored in digital code capable of being processed by machinery.
- (5)** "Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.
- (6)** "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source, will not be considered a "vehicle."

2. EXCLUSIONS

As respects Equipment Breakdown coverage only, the Exclusions section of the Coverage Form or Causes of Loss form to which this endorsement is attached is deleted and replaced with the following exclusions. However, the exclusions for Earth Movement, Nuclear Hazard and War and Military Action do apply to this Additional Coverage.

- a.** We will not pay for loss or damage caused by or resulting from:
- (1)** Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions, but if loss or damage from an "accident" results, we will pay for that resulting loss or damage.
 - (2)** The enforcement of any ordinance, law, regulation, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation, except as provided under Hazardous Substances coverage, or any ordinance or law coverage provided elsewhere in the policy.
 - (3)** Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether wind driven or not. However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out.
 - (4)** Any of the following tests:
 - (a)** A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
 - (b)** An insulation breakdown test of any type of electrical equipment.
 - (5)** Any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."
 - (6)** Change in temperature or humidity, whether or not resulting from an "accident," except as provided under **B. Additional Coverage – Spoilage.**
 - (7)** Contamination by a refrigerant resulting from an "accident," except as provided under **B. Additional Coverage – Spoilage.**
 - (8)** Any of the following causes of loss if this coverage part is endorsed to exclude that cause of loss:
 - (a)** Windstorm or hail;
 - (b)** Vandalism; or
 - (c)** Sprinkler leakage.
 - (9)** Your failure to use all reasonable means to protect Covered Property from damage following an "accident."

- (10) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance. But if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."
- b. The following is not "covered equipment":
- (1) Structure, foundation, cabinet, compartment or air supported structure or building;
 - (2) Insulating or refractory material;
 - (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
 - (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (5) "Vehicle" or any equipment mounted on a "vehicle";
 - (6) Dragline, excavation or construction equipment;
 - (7) Equipment manufactured by you for sale;
 - (8) Electronic data processing equipment, unless used to control or operate "covered equipment." Electronic data processing equipment includes programmable electronic equipment that is used to store, retrieve and process "data"; and associated peripheral equipment, except as provided under **C. Additional Coverage – Computer Equipment**; or
 - (9) "Electrical generating equipment," except as provided under **A.1.b.(3) Electrical Generating Equipment coverage**.
- c. With respect to Service Interruption coverage, we will also not pay for loss or damage caused by or resulting from: fire; lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing or collapse.
- d. With respect to Business Income and Extra Expense coverages, we will also not pay for:
- (1) Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
 - (2) Any increase in loss resulting from an agreement between you and your customer or supplier.
- e. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident": Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins.
- f. We will not pay under this endorsement for any loss or damage to animals.
- The most we will pay for loss or damage under this Additional Coverage is the applicable Limit of Insurance shown in the Schedule or Coverage Form. Coverage provided under this Additional Coverage does not provide an additional amount of insurance.
- B. Additional Coverage – Spoilage**
- The Coverage Form to which this endorsement applies is extended to insure against direct physical loss or damage by the Covered Causes of Loss, but only with respect to this Additional Coverage.
1. As respects this Spoilage Coverage only, Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.
 2. The following is added to **PROPERTY NOT COVERED**:
Property located:
 - (a) On buildings;
 - (b) In the open; or
 - (c) In vehicles.
 3. As respects this Spoilage Coverage only, Covered Causes of Loss means:
 - a. Breakdown or Contamination, meaning:
 - (1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
 - (2) Contamination by the refrigerant.
 - b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

4. VALUATION

If you are unable to replace the "perishable stock" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable stock," as if no loss or damage had occurred, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

5. The Coverage Extensions in the applicable Coverage Form or Causes of Loss form do not apply to this Additional Coverage.

6. EXCLUSIONS

As respects this Spoilage Coverage only, the Exclusions section of the Coverage Form or Causes of Loss form to which this endorsement is attached is deleted and replaced with the following exclusions. However, the exclusions for Earth Movement, Governmental Action, Nuclear Hazard, War and Military Action and Water do apply to this Additional Coverage.

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

- (1) The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- (2) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- (3) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
 - (a) Lack of fuel; or
 - (b) Governmental order.
- (4) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- (5) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

7. The Optional Coverages in the applicable Coverage Form or Causes of Loss form do not apply to this Additional Coverage.

8. The following is added to the **DEFINITIONS**:

a. "Perishable Stock" means personal property:

- (1) Maintained under controlled conditions for its preservation; and
- (2) Susceptible to loss or damage if the controlled conditions change.

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

10. This Additional Coverage supersedes any other Spoilage coverage found in the policy.

C. Additional Coverage – Computer Equipment

1. The Coverage Form to which this endorsement applies is extended to insure against loss or damage caused by or resulting from an "accident" to "computer equipment."

2. The following is added to the **DEFINITIONS**:

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

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

3. The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000.

4. Computers used primarily to control or operate "covered equipment" are not subject to this limit.

5. If **ELECTRONIC DATA PROCESSING COVERAGE, Form CM7221, or COMPUTER COVERAGE, Form CM7223**, applies, this Additional Coverage does not apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT PROTECTION ENDORSEMENT

This endorsement modifies insurance provided under the following:

~~COMMERCIAL PROPERTY COVERAGE PART~~ BUILDING AND PERSONAL PROPERTY COVERAGE PART
~~CAUSES OF LOSS – BASIC FORM~~
~~CAUSES OF LOSS – BROAD FORM~~
~~CAUSES OF LOSS – SPECIAL FORM~~

The following is added to the applicable Causes of Loss Form or Coverage Form:

A. Additional Coverage – Equipment Breakdown

1. The term Covered Cause of Loss includes the Additional Coverage – Equipment Breakdown as described and limited below:

- a. This insurance is extended to apply to loss or damage caused by or resulting from an “accident” ~~to “covered equipment.”~~
- b. The following coverage extensions apply to loss or damage to Covered Property caused by or resulting from an “accident” ~~to “covered equipment.”~~ These coverages do not provide additional amounts of insurance.

(1) Expediting Expenses

With respect to your damaged Covered Property, we will pay ~~up to \$50,000~~, the reasonable extra cost to:

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

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

(2) Hazardous Substances

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

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

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000.

(3) CFC Refrigerants

~~We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC~~

~~(chlorofluorocarbon) substances. This means the additional cost to do the least expensive of the following:~~

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

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

~~The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000.~~

(3) Electrical Generating Equipment

(a) We will pay for loss or damage to “electrical generating equipment” capable of producing a maximum output of 500 kilowatts based on the nameplate rating.

(b) We will only pay for loss or damage to “electrical generating equipment” that exceeds:

(i) The dollar amount that results from multiplying 40 times the number of kilowatts the equipment is capable of producing based on the nameplate rating; or

(ii) The dollar Deductible shown in the Declarations for all Covered Causes of Loss, whichever is greater.

(c) We will not pay for any loss of Business Income you sustain or Extra Expense you incur during the first 30 days following the “accident.”

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you

sustain and necessary Extra Expense you incur, if shown as covered, is \$250,000.

(4) Utility Services

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

(4) Service Interruption

(a) Any insurance provided for Business Income or Extra Expense is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an "accident" to equipment, including overhead transmission lines, that is owned by a utility, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

(b) We will not pay for Business Income you sustain that results from the interruption of utility services during the first 24 hours following the "accident." However, if the "period of restoration" begins more than 24 hours after the time of the direct physical damage for Business Income, then that time period will apply instead of the 24 hours provided for in this paragraph.

(c) The most we will pay in any one "accident" for loss, damage or expense under this coverage is the limit that applies to Business Income or Extra Expense.

(5) Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement.

c. CONDITIONS

(1) Suspension

When any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." ~~We can do~~ this can be done by mailing or delivering a written notice of suspension to

(a) your last known address as shown in the Declarations, or

(b) at the address where the "covered" equipment is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

(2) Jurisdictional Inspections

If any property that is "covered equipment" under this Additional Coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

(3) Environmental, Safety and Efficiency Improvements

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

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

d. DEFINITIONS

(1) ~~An "accident" means direct physical loss as follows:~~ An "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:

(a) mechanical breakdown, including rupture or bursting caused by centrifugal force;

- (b) artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (c) explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (d) loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (e) loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

If an initial "accident" causes other "accidents," all will be considered one "accident." All "accidents" that are the result of the same event will be considered one "accident."

- (2) Covered equipment means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

"Covered equipment" means Covered Property that:

- (a) Transmits, generates or utilizes energy; or
- (b) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

- (3) "Electrical Generating Equipment"

(a) "Electrical Generating Equipment" means equipment which converts any other form of energy into electricity. This includes, but is not limited to, the following:

- (i) Boilers used primarily to provide steam for one or more turbine-generator units;
- (ii) Turbine-generators (including steam, gas, water or wind turbines);
- (iii) Engine-generators;
- (iv) Fuel cells or other alternative electrical generating equipment;
- (v) Electrical transformers, switchgear and power lines used to convey the generated electricity; and
- (vi) Associated equipment necessary for the operation of any of the equipment listed in (i) through (v) above.

(b) "Electrical Generating Equipment" does not mean elevator or hoist motors that generate electricity when releasing cable.

(4) "Data" means information or instructions stored in digital code capable of being processed by machinery.

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

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

6) "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source, will not be considered a "vehicle."

2. EXCLUSIONS

As respects Equipment Breakdown coverage only, the Exclusions section of the Coverage Form or Causes of Loss form to which this endorsement is attached is deleted and replaced with the following exclusions. However, the exclusions for Earth Movement, Nuclear Hazard and War and Military Action do apply to this Additional Coverage.

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

- (1) Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions, but if loss or damage from an "accident" results, we will pay for that resulting loss or damage.
- (2) The enforcement of any ordinance, law, regulation, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation, except as provided under Hazardous Substances or CFC Refrigerants coverage, or any ordinance or law coverage provided elsewhere in the policy.
- (3) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether wind driven or not. However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out.

- (4) Any of the following tests:
- (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
 - (b) An insulation breakdown test of any type of electrical equipment.

~~(5) Any defect, virus, loss of data or other situation within "media." But if loss or damage from an "accident" results, we will pay for that resulting loss or damage.~~

Any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."

(6) Change in temperature or humidity, whether or not resulting from an "accident," except as provided under **B.** Additional Coverage- Spoilage.

(7) Contamination by a refrigerant resulting from an "accident," except as provided under **B.** Additional Coverage- Spoilage.

~~(8) An "accident" to any "covered equipment" located at any location where electrical power, except emergency power, is generated.~~

~~(9)~~(8) Any of the following causes of loss if this coverage part is endorsed to exclude that cause of loss:

- (a) Windstorm or hail
- (b) Vandalism
- (c) Sprinkler leakage

(9) Your failure to use all reasonable means to protect Covered Property from damage following an "accident."

(10) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance. But if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."

b. The following is not "covered equipment":

- (1) structure, foundation, cabinet, compartment or air supported structure or building;
- (2) insulating or refractory material;
- (3) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system or fire suppression system:

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

~~(5) vehicle, aircraft, floating vessel or any equipment mounted on such vehicle, aircraft or floating vessel. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power supplier will not be considered a vehicle, aircraft or floating vessel;~~

"Vehicle" or any equipment mounted on a "vehicle";

(6) dragline, excavation or construction equipment;

(7) equipment manufactured by you for sale; or

(8) electronic data processing equipment, unless used to control or operate "covered equipment." Electronic data processing equipment includes programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment, except as provided under **C.** Additional Coverage- Computer Equipment.

(9) "Electrical generating equipment," except as provided under A.1.b.(3) Electrical Generating Equipment coverage.

c. With respect to **Utility Services Interruption** coverage, we will also not pay for loss or damage caused by or resulting from: fire; lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing or collapse.

~~d. With respect to Utility Services coverage and, if shown as covered, Business Income and Extra Expense coverages, we will also not pay for delay in resuming operations due to the need to reconstruct or reinput data or programs on "media."~~

d. With respect to Business Income and Extra Expense coverages, we will also not pay for:

(1) Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business: or

(2) Any increase in loss resulting from an agreement between you and your customer or supplier.

e. We will not pay for loss, damage or expense caused directly or indirectly by the

following, whether or not caused by or resulting from an "accident": Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins.

f. We will not pay under this endorsement for any loss or damage to animals.

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

B. Additional Coverage – Spoilage

The Coverage Form to which this endorsement applies is extended to insure against direct physical loss or damage by the Covered Causes of Loss, but only with respect to this Additional Coverage.

1. As respects this Spoilage Coverage only, Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

2. The following is added to PROPERTY NOT COVERED:

Property located:

- (a) On buildings;
- (b) In the open; or
- (c) In vehicles.

3. As respects this Spoilage Coverage only, Covered Causes of Loss means:

a. Breakdown or Contamination, meaning:

(1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and

(2) Contamination by the refrigerant.

b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

4. VALUATION

If you are unable to replace the "perishable stock" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable stock," as if no loss or damage had occurred, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

5. The Coverage Extensions in the applicable Coverage Form or Causes of Loss form do not apply to this Additional Coverage.

6. EXCLUSIONS

As respects this Spoilage Coverage only, the Exclusions section of the Coverage Form or Causes of Loss form to which this endorsement is attached is deleted and replaced with the following exclusions. However, the exclusions for Earth Movement, Governmental Action, Nuclear Hazard, War and Military Action and Water do apply to this Additional Coverage.

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

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

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

(3) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:

(a) Lack of fuel; or

(b) Governmental order.

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

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

7. The Optional Coverages in the applicable Coverage Form or Causes of Loss form do not apply to this Additional Coverage.

8. The following is added to the DEFINITIONS:

a. "Perishable Stock" means personal property:

(1) Maintained under controlled conditions for its preservation; and

(2) Susceptible to loss or damage if the controlled conditions change.

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

10. This Additional Coverage supersedes any other Spoilage coverage found in the policy.

C. Additional Coverage – Computer Equipment

1. The Coverage Form to which this endorsement applies is extended to insure against loss or damage caused by or resulting from an "accident" to "computer equipment."

2. The following is added to the DEFINITIONS:

a. "Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including

“media” and peripherals used in conjunction with such equipment.

- b. “Media” means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.
3. The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$50,000.
4. Computers used primarily to control or operate “covered equipment” are not subject to this limit.
5. If **ELECTRONIC DATA PROCESSING COVERAGE, Form CM7221** or **COMPUTER COVERAGE, Form CM7223**, applies, this Additional Coverage does not apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following is added to the applicable Causes of Loss Form:

Additional Coverage - Equipment Breakdown

1. The term Covered Cause of Loss includes the Additional Coverage – Equipment Breakdown as described and limited below:

- a. The insurance is extended to apply to loss or damage to Covered Property caused by or resulting from an “accident.”
- b. Unless otherwise shown in the Schedule, the following coverages also apply to loss caused by or resulting from an “accident.” These coverages do not provide additional amounts of insurance.

(1) Expediting Expenses

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

- (a) Make temporary repairs; and
- (b) Expedite permanent repairs or permanent replacement.

The most we will pay for loss or expense under this coverage is the amount shown in the Schedule.

(2) Hazardous Substances

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

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

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain, necessary Extra Expense you incur and loss under Spoilage coverage, if shown as covered, is the amount shown in the Schedule.

(3) Spoilage

- (a) We will pay for your loss of "perishable goods" due to spoilage.

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

- (c) We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (d) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the “accident,” less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss or damage under this coverage is the amount shown in the Schedule.

(4) Service Interruption

- (a) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an “accident” to equipment, including overhead transmission lines, that is owned by a utility, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.

- (b) We will not pay for Business Income you sustain that results from the interruption of utility services during the first 24 hours following the “accident”. However, if a deductible is shown in the Schedule as provided for in paragraph 1.d. below, or if the period of restoration begins more than 24 hours after the time of the direct physical damage for Business Income, then that deductible or time period will apply instead of the 24 hours provided for in this paragraph.
- (c) The most we will pay in any “one accident” for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage, except that if a limit is shown in the Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

(5) Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in the Schedule, then as respects Equipment Breakdown coverage, the period of restoration will begin immediately after the “accident,” and the deductible shown in the Schedule will apply. The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in the Schedule.

c. CONDITIONS

(1) Suspension

Whenever any “covered equipment” is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an “accident” to that “covered equipment.” This can be done by mailing or delivering a written notice of suspension to:

- (a) Your last known address; or
- (b) The address where the “covered equipment” is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that “covered equipment.” If we suspend your insurance, you will get a pro rata refund of premium for that “covered equipment” for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

(2) Jurisdictional Inspections

If any property that is “covered equipment” under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

(3) Environmental, Safety and Efficiency Improvements

If “covered equipment” requires replacement due to an “accident,” we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

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

(4) Coinsurance

If a coinsurance percentage is shown in the Schedule for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

d. DEDUCTIBLE

Only as regards Equipment Breakdown Coverage, the Deductible provision in your Coverage Form is deleted and replaced with the following:

(1) Deductibles for Each Coverage

- (a) Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any “one accident.”
- (b) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.

- (c) If deductibles vary by type of “covered equipment” and more than one type of “covered equipment” is involved in any “one accident,” the highest deductible for each coverage will apply.

(2) Direct and Indirect Coverages

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

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

(3) Application of Deductibles

(a) Dollar Deductibles

We will not pay for loss, damage or expense resulting from any “one accident” until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

(b) Time Deductible

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

(c) Multiple of Average Daily Value (ADV)

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

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business, had no “accident” occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the “accident” or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to all Business Income value of the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the period of restoration.

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

(d) Percentage of Loss Deductibles

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

e. DEFINITIONS

- (1)** An “accident” means a fortuitous event that causes direct physical damage to “covered equipment.” The event must be one of the following:

- (a)** Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (b)** Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (c)** Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (d)** Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (e)** Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

- (2)** “Boilers and Vessels” means:

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

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

- (3)** “Covered equipment” means Covered Property that:

- (a)** Transmits, generates or utilizes energy; or
- (b)** Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

- (4) "Data" means information or instructions stored in digital code capable of being processed by machinery.
- (5) "Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.
- (6) "Media" means materials on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
- (7) "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."
- (8) "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- (9) "Production Machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.
This term does not appear elsewhere in this endorsement, but may appear in the Schedule.
- (10) "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source, will not be considered a "vehicle."

2. EXCLUSIONS

As respects this endorsement only, the Exclusions section of the Coverage Form or Causes of Loss form to which this endorsement is attached is deleted and replaced with the following exclusions. However, the exclusions for Earth Movement, Nuclear Hazard and War and Military Action do apply to this endorsement.

- a. We will not pay for loss or damage caused by or resulting from:
 - (1) Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions, but if an "accident" results, we will pay for that resulting loss, damage or expense caused by that "accident."

- (2) The enforcement of any ordinance, law, regulation, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation, except as provided under Hazardous Substances coverage, or any ordinance or law coverage provided elsewhere in the policy.
- (3) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether wind driven or not. However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out.
- (4) Any of the following tests:
 - (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
 - (b) An electrical insulation breakdown test of any type of electrical equipment.
- (5) Any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."
- (6) Any of the following causes of loss if this coverage part is endorsed to exclude that cause of loss:
 - (a) Windstorm or hail;
 - (b) Vandalism; or
 - (c) Sprinkler leakage.
- (7) Your failure to use all reasonable means to protect Covered Property from damage following an "accident."
- (8) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance. But if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."
- b. None of the following is "covered equipment":
 - (1) Structure, foundation, cabinet, compartment or air supported structure or building;
 - (2) Insulating or refractory material;
 - (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;

- (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (5) "Vehicle", or any equipment mounted on a "vehicle";
 - (6) Dragline, excavation or construction equipment;
 - (7) Equipment manufactured by you for sale; or
 - (8) Electronic data processing equipment, unless used to control or operate "covered equipment." Electronic data processing equipment includes programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment.
- c. With respect to Service Interruption coverage, we will also not pay for loss or damage caused by or resulting from: fire; lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing or collapse.
- d. With respect to Business Income and Extra Expense coverages, we will also not pay for:
- (1) Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
 - (2) Any increase in loss resulting from an agreement between you and your customer or supplier.
- e. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident": Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins.
- f. We will not pay under this endorsement for any loss or damage to animals.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART **BUILDING AND PERSONAL PROPERTY COVERAGE PART**
~~CAUSES OF LOSS – BASIC FORM~~
~~CAUSES OF LOSS – BROAD FORM~~
~~CAUSES OF LOSS – SPECIAL FORM~~

The following is added to the applicable Causes of Loss Form:

Additional Coverage - Equipment Breakdown

1. The term Covered Cause of Loss includes the Additional Coverage- Equipment Breakdown as described and limited below:

- a. The insurance is extended to apply to loss or damage to Covered Property caused by or resulting from an "accident" ~~to "covered equipment."~~
- b. Unless otherwise shown in the Schedule, the following coverages also apply to loss caused by or resulting from an "accident" to ~~"covered equipment."~~ These coverages do not provide additional amounts of insurance.

(1) Expediting Expenses

With respect to your damaged Covered Property, we will pay ~~up to the amount shown in the Schedule,~~ the reasonable extra cost to:

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

(2) Hazardous Substances

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

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

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain, necessary Extra Expense you incur and loss under Spoilage coverage, if shown as covered, is the amount shown in the Schedule.

(3) Spoilage

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

The most we will pay for loss or damage under this coverage is the amount shown in the Schedule.

(4) CFC Refrigerants

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

- ~~(a) Repair the damaged property and replace any lost CFC refrigerant;~~
- ~~(b) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or~~

(c) Replace the system with one using a non-CFC refrigerant.

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

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain, necessary Extra Expense you incur and loss under Spoilage coverage, if shown as covered, is the amount shown in the Schedule.

(4) Service Interruption

(a) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an "accident" to equipment, including overhead transmission lines, that is owned by a utility, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

(b) We will not pay for Business Income you sustain that results from the interruption of utility services during the first 24 hours following the "accident". However, if a deductible is shown in the Schedule as provided for in paragraph 1.d. below, or if the period of restoration begins more than 24 hours after the time of the direct physical damage for Business Income, then that deductible or time period will apply instead of the 24 hours provided for in this paragraph.

(c) The most we will pay in any "one accident" for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage, except that if a limit is shown in the Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

(5) Utility Services

Any insurance provided for Business Income, Extra Expense and Spoilage is extended to apply to loss caused by or resulting from an "accident" to equipment that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any

of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

(5) Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in the Schedule, then as respects Equipment Breakdown coverage, the period of restoration will begin immediately after the "accident," and the deductible shown in the Schedule will apply. The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in the Schedule.

c. CONDITIONS

(1) Suspension

When any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." We can do this. This can be done by mailing or delivering a written notice of suspension

(a) to your last known address as shown in the Declarations, or

(b) at the address where the "covered equipment is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

(2) Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

(3) Environmental, Safety and Efficiency Improvements

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

However, we will not pay more than 125% of what the cost would have been to repair

or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

(4) Coinsurance

~~If indicated in the Schedule, specified coverages may be subject to coinsurance. If a coinsurance percentage is shown in the Schedule for specified coverages, the following condition applies.~~

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

~~We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.~~

EXAMPLE 1 (Underinsurance)

~~When:~~

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

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

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

~~The Spoilage Deductible is \$5,000.~~

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

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

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

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

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

EXAMPLE 2 (Adequate insurance)

~~When:~~

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

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

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

~~The Spoilage Deductible is \$5,000.~~

~~Step 1: \$100,000 X 80% = \$80,000~~

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

~~Coinsurance does not apply.~~

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

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

d. DEDUCTIBLE

Only as regards Equipment Breakdown Coverage, the Deductible provision in your Coverage Form is deleted and replaced with the following:

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

(1) Deductibles for Each Coverage

~~(a) Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."~~

~~(b) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.~~

~~(c) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," the highest deductible for each coverage will apply.~~

(1)(2) Direct and Indirect Coverages

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

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

(2) Application of Deductibles

(a) Dollar Deductibles

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

(b) Time Deductible

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

(c) Multiple of Average Daily Value (ADV)

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

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business, had no "accident" occurred during the period of interruption of business divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to all locations included in the valuation of the loss. The ADV applies to all Business Income value of the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the period of restoration

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

(d) Percentage of Loss Deductibles

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

e. DEFINITIONS

(1) An "accident" means direct physical loss as follows: An "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:

- (a)** mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (b)** artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (c)** explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (d)** loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (e)** loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

(2) "Boilers and Vessels" means:

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

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

(3) "Covered equipment" means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

"Covered equipment" means Covered Property that:

- (a)** Transmits, generates or utilizes energy;
or
- (b)** Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents

(4) "Data" means information or instructions stored in digital code capable of being processed by machinery.

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

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

Media" means materials on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

(6)(7) "One accident" means: If an initial "accident" causes other "accidents," all will

be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

~~(7)~~ **(8)** "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

~~(8)~~ **(9)** "Production Machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

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

(10) "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source, will not be considered a "vehicle."

2. EXCLUSIONS

As respects this endorsement only, the Exclusions section of the Coverage Form or Causes of Loss form to which this endorsement is attached is deleted and replaced with the following exclusions. However, the exclusions for Earth Movement, Nuclear Hazard and War and Military Action do apply to this endorsement.

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

(1) Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions, but if ~~loss or damage from~~ an "accident" results, we will pay for that resulting loss or damage or expense caused by that "accident."

(2) The enforcement of any ordinance, law, regulation, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation, except as provided under Hazardous Substances or CFC Refrigerants coverage, or any ordinance or law coverage provided elsewhere in the policy.

(3) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether wind driven or not. However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out.

(4) Any of the following tests:

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

(b) An insulation breakdown test of any type of electrical equipment.

~~**(5)** Any defect, virus, loss of data or other situation within "media." But if loss or damage from an "accident" results, we will pay for that resulting loss or damage.~~

Any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."

(6) Any of the following causes of loss if this coverage part is endorsed to exclude that cause of loss:

(a) Windstorm or hail

(b) Vandalism

(c) Sprinkler leakage

~~**(7)** Your failure to use all reasonable means to protect Covered Property from damage following an "accident."~~

~~**(8)** Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance. But if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."~~

b. None of the following is "covered equipment":

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

(2) insulating or refractory material;

(3) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system or fire suppression system;

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

~~**(5)** vehicle, aircraft, floating vessel or any equipment mounted on such vehicle, aircraft or floating vessel. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power supplier will not be considered a vehicle, aircraft or floating vessel;~~

"Vehicle", or any equipment mounted on a "vehicle":

- (6) dragline, excavation or construction equipment;
 - (7) equipment manufactured by you for sale; or
 - (8) electronic data processing equipment, unless used to control or operate "covered equipment." Electronic data processing equipment includes programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment.
- c. ~~With respect to Utility Services coverage and Spoilage coverage~~ Service Interruption coverage, we will also not pay for loss or damage caused by or resulting from: fire; lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing or collapse.
- d. ~~With respect to Utility Services coverage and, if shown as covered, Business Income and Extra Expense coverages, we will also not pay for delay in resuming operations due to the need to reconstruct or reinput data or programs on "media."~~

With respect to Business Income and Extra Expense coverages, we will also not pay for:

- (1) Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
 - (2) Any increase in loss resulting from an agreement between you and your customer or supplier.
- e. We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident": Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins.
- f. We will not pay under this endorsement for any loss or damage to animals.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

The provisions of the Building And Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form and Causes Of Loss – Special Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Parts.

If any of the property covered by this endorsement is also covered under any other provisions of either the policy of which this endorsement is made a part or any other policy issued by us, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such property.

I. Changes To The Building And Personal Property Coverage Form

- A. The Debris Removal** limit under **Additional Coverages** in the **Coverage** section is increased to \$25,000.
- B. The Preservation Of Property** time period under **Additional Coverages** in the **Coverage** section is increased to 60 days.
- C. The Fire Department Service Charge** limit under **Additional Coverages** in the **Coverage** section is increased to \$5,000.
- D. The Pollutant Clean-up And Removal** limit under **Additional Coverages** in the **Coverage** section is increased to \$25,000.
- E. The Increased Cost Of Construction** limit under **Additional Coverages** in the **Coverage** section is increased to \$25,000.
- F. The following coverages are added to Additional Coverages in the Coverage section:**

1. Reward Payment

- a.** We will reimburse you for rewards paid as follows:

- (1)** Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

- (a)** Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
- (b)** The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.

- (2)** Up to \$5,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

- (a)** Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
- (b)** The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.

- b.** This Additional Coverage applies subject to the following conditions:

- (1)** An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:

- (a) You or any family member;
 - (b) Your employee or any of his or her family members;
 - (c) An employee of a law enforcement agency;
 - (d) An employee of a business engaged in property protection;
 - (e) Any person who had custody of the Covered Property at the time the theft was committed; or
 - (f) Any person involved in the crime.
- (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.
- (3) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

2. Water Back-Up And Sump Overflow

- a. We will pay for direct physical loss or damage to Covered Property caused by or resulting from:
 - (1) Water which backs up through or overflows from a sewer or drain; or
 - (2) Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph (2) above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

- b. The coverage described in Paragraph a. of this Additional Coverage does not apply to loss or damage resulting from an insured's failure to:
 - (1) Keep a sump pump or its related equipment in proper working condition; or
 - (2) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.
- c. The most we will pay under this Additional Coverage is \$5,000 for each described premises. The most we will pay in any one policy period is \$25,000, regardless of the number of occurrences of loss or damage or the number of premises or locations involved.

3. Fire Extinguisher Systems Expense

- a. We will pay the cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises.
- b. No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- c. No deductible applies to this Additional Coverage.

The amount payable under this Additional Coverage is additional insurance.

4. Inventory And Appraisal Expense

You may extend the insurance that applies to Your Business Personal Property to apply to reasonable expenses incurred. This coverage applies to inventories and appraisals made at our request and not due to a disagreement.

We will not pay for any expenses incurred, directed or billed by or payable to any public adjusters or public accountants or their associates or subordinates or any costs as provided in the Loss Condition – Appraisal.

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

The amount payable under this Additional Coverage is additional insurance.

5. Utility Services – Direct Damage

a. Coverage

We will pay for loss of or damage to Covered Property caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph c.

b. Exception

This Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning described under Property Not Covered – Electronic Data.

c. Utility Services

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

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

- (a) Communication transmission lines, including optic fiber transmission lines;
- (b) Coaxial cables; and
- (c) Microwave radio relays except satellites.

Communication Supply Services does not include overhead transmission lines.

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

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;
- (d) Transformers; and
- (e) Transmission lines.

Power Supply Services does not include overhead transmission lines.

- d. The most we will pay for loss or damage under this Additional Coverage is \$25,000 in any one occurrence. This Additional Coverage, Utility Services – Direct Damage, does not increase the applicable Limit of Insurance.

6. Extra Expense

a. Coverage

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

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

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

(1) Extra Expense

Extra Expense means necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

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

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

(2) Additional Limitation – Interruption Of Computer Operations

Coverage for Extra Expense does not apply when action is taken to avoid or minimize a “suspension” of “operations” caused by destruction or corruption of electronic data, or any loss or damage to electronic data. Electronic data has the meaning described under Property Not Covered – Electronic Data.

b. Limits Of Insurance

The most we will pay under this Additional Coverage is \$25,000 for each described premises.

The amount payable under this Additional Coverage is additional insurance.

7. Business Income From Dependent Properties

- a. We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the coverage period. 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. However, coverage under this Additional Coverage does not apply when the only loss to dependent property is loss or damage to electronic data, including destruction or corruption of electronic data. If the dependent property sustains loss or damage to electronic data and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced. Electronic data has the meaning described under Property Not Covered – Electronic Data.

The most we will pay under this Additional Coverage is \$25,000. But we will not pay more than \$1,000 for each day's suspension of "operations" due to loss arising from any one location.

- b. 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:
- (1) Source of materials; or
 - (2) Outlet for your products.
- c. 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.
- d. Dependent property means property operated by others whom you depend on to:
- (1) Deliver materials or services to you or to others for your account. But services does not mean water services; power supply services; or communication supply services, including services relating to internet access or access to any electronic network;
 - (2) Accept your products or services;
 - (3) Manufacture products for delivery to your customers under contract of sale; or
 - (4) Attract customers to your business.

But dependent property does not include any road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure.

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

- e. The coverage period for Business Income under this Additional Coverage:

- (1) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
- (2) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

- f. The Business Income coverage period, as stated in Paragraph e., 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 of this policy will not reduce the Business Income coverage period.

- g. Business Income means the:

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

The amount payable under this Additional Coverage is additional insurance.

8. Fine Arts

- a. We will pay for direct loss of or damage to Fine Arts, whether owned by:

- (1) You; or
- (2) Others, and in your care, custody or control.

- b. Fine arts means paintings, drawings, lithographs, rugs, tapestries, statuary, bronzes, porcelains, marbles, antique furniture, rare books and other bona fide items of artistic merit.
- c. The most we will pay for loss in any one occurrence under this Additional Coverage is \$25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. The amount payable under this Additional Coverage is additional insurance over the insurance available for Business Personal Property.
- d. The value of fine arts will be the least of the following amounts:
 - (1) The actual cash value of that property;
 - (2) The cost of reasonably restoring that property to its condition immediately before loss; or
 - (3) The cost of replacing that property with substantially identical property.
- e. In the event of loss, the value of property will be determined as of the time of loss.

9. Employee Dishonesty

- a. We will pay for direct loss of or damage to Your Business Personal Property and your "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, members or "managers") with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any "employee"; or
 - (b) Any other person or organization.
- b. We will not pay for:
 - (1) Loss or damage resulting from any dishonest or criminal act that you or any of your partners, members, officers, "managers", directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose commit, whether acting alone or in collusion with other persons;
- (2) Loss or damage that is an indirect result of any act covered by this insurance including, but not limited to, loss or damage resulting from:
 - (a) Your inability to realize income that you would have realized had there been no loss of or damage to "money" or "securities";
 - (b) Payment of damages of any type for which you are legally liable. But we will pay compensatory damages arising directly from a loss covered under this insurance; or
 - (c) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
 - (3) Expenses related to any legal action; or
 - (4) Loss or damage the only proof of which as to its existence or amount is one or both of the following:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- c. The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$25,000.
- d. All loss or damage:
 - (1) Caused by one or more "employees"; and
 - (2) Involving a single act or series of related acts;
 is considered one occurrence.
- e. 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.
- f. This additional Coverage does not apply to loss caused by any "employee" after discovery by:
 - (1) You; or
 - (2) Any of your partners, officers or directors, or members or "managers" not in collusion with the "employee";
 of any dishonest act committed by that "employee" before or after being hired by you.

- g. We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.
- h. If you discover a loss or damage during the policy period that you (or any predecessor in interest) sustained 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:
 - (1) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (2) 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.
- i. The insurance under Paragraph h. above is provided within, and not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
 - (1) This Additional Coverage as of its effective date; or
 - (2) The prior insurance, had it remained in effect.

10. Lock Replacement And Rekeying

We will pay the necessary expenses you incur to replace locks resulting from theft or copying of keys or any other legitimate security concern. The most we will pay under this Additional Coverage during each policy period is \$5,000.

This insurance does not apply to loss caused by:

- a. Vandalism; or
- b. Wear and tear.

Lock replacement coverage is not subject to a deductible.

11. Money And Securities

- a. 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 the described premises, or in transit between any of these places.
- b. We will only pay for loss of "money" and "securities" resulting from:
 - (1) Theft, meaning any act of stealing;

(2) Disappearance; or

(3) Destruction.

c. We will not pay for loss:

(1) Resulting from accounting or arithmetical errors or omissions;

(2) Due to the giving or surrendering of property in any exchange or purchase; or

(3) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous reading instrument in the device.

d. The most we will pay for loss in any one occurrence is \$10,000.

e. All loss:

(1) Caused by one or more persons; and

(2) Involving a single act or series of related acts;

is considered one occurrence.

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

g. To the extent that coverage for "money" and "securities" is provided under this Additional Coverage, the Property Not Covered provisions in the Coverage section of the Building And Personal Property Coverage Form do not apply.

The amount payable under this Additional Coverage is additional insurance.

12. Employees' Tools

You may extend the insurance that applies to Your Business Personal Property to apply to tools owned by your employees located on the described premises.

The most we will pay for loss or damage under this Additional Coverage is \$5,000 for any one occurrence at each described premise. However, in no event will we pay more than \$500 for any one employee. Our payment for loss of or damage to tools owned by employees will only be for the account of the owner of the tools.

The amount payable under this Additional Coverage is additional insurance.

G. The Newly Acquired Or Constructed Property-Buildings limit under **Coverage Extensions** in the **Coverage** section is increased to \$1,000,000.

H. The Newly Acquired Or Constructed Property-Your Business Personal Property limit under **Coverage Extensions** in the **Coverage** section is increased to \$500,000.

I. **The Newly Acquired Or Constructed Property Period Of Coverage** under **Coverage Extensions** in the **Coverage** section is increased to 120 days.

J. **The Personal Effects And Property Of Others** limit under **Coverage Extensions** in the **Coverage** section is increased to \$25,000.

K. The **Property Off-premises** limit under **Coverage Extensions** in the **Coverage** section is increased to \$25,000.

L. **Valuable Papers And Records (Other Than Electronic Data)** under **Coverage Extensions** in the **Coverage** section is replaced by the following:

1. You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered – Electronic Data.
2. Under this Extension, the most we will pay to replace or restore the lost information is \$25,000 at each described premises. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

M. **Outdoor Property** under **Coverage Extensions** in the **Coverage** section is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than “stock” of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

1. Fire;
2. Lightning;
3. Explosion;
4. Windstorm or Hail;
5. Aircraft or Vehicles;
6. Riot or Civil Commotion; or
7. Vandalism

The most we will pay for loss or damage under this Extension is \$15,000, but not more than \$1,000 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

N. The following coverages are added to **Coverage Extensions** in the **Coverage** section:

1. Accounts Receivable

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

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to 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.

b. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at each described premises is \$25,000.

c. To the extent that coverage for accounts receivable is provided under this Coverage Extension, the provisions of Property Not Covered in the Coverage section of the Building And Personal Property Coverage Form do not apply.

2. Sales Representative Samples

We will pay for direct physical loss or damage caused by a Covered Cause of Loss to samples of your “stock” in trade (and containers) and similar property of others.

We cover samples of your “stock” in trade while the property is:

- a. In the custody of your sales representatives and agents;
- b. In your custody while acting as a sales representative; or
- c. In transit between a described premises and your sales representatives.

The most we will pay in any one occurrence for loss to samples of your “stock” in trade is \$25,000.

O. The limit applicable to outdoor signs, whether or not the sign is attached to a building, under **Limits Of Insurance** is increased to \$25,000.

P. The following is added to **Limits Of Insurance**:

1. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.

This increase will apply only if the Limit of Insurance shown for 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.

Q. The limitation relating to the cost to repair or replace damaged building property under **Valuation** in the **Loss Conditions** section is increased to \$10,000.

R. The following is added to **Loss Conditions** and applies to the **Extra Expense Additional Coverage** only:

1. **Loss Determination**

a. The amount of Extra Expense will be determined based on:

(1) 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:

(a) The salvage value that remains of any property bought for temporary use during the "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 Extra Expense otherwise incurred.

b. We will reduce the amount of your Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

c. 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.

S. The following are added to **Additional Conditions** and apply to the **Fine Arts Additional Coverage** only:

1. In case of loss to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss; or
- b. Pay the difference between the value of the pair or set before and after the loss.

2. You must arrange for fine arts to be packed and unpacked by competent packers.

II. **Changes To The Causes Of Loss – Special Form**

A. The **Exclusions** section does not apply to the coverage for **Employee Dishonesty** in Paragraph F. of Section I of this endorsement, except for the following exclusions:

1. Governmental Action
2. Nuclear Hazard; and
3. War and Military Action.

B. The **Water** exclusion in the **Exclusions** section is replaced by the following with respect to the **Water Back-Up And Sump Overflow Additional Coverage** only:

1. **Water**

a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

b. Mudslide or mudflow;

c. Water under the ground surface pressing on, or flowing or seeping through:

(1) Foundations, walls, floors or paved surfaces;

(2) Basements, whether paved or not; or

(3) Doors, windows or other openings.

But if Water, as described in 1.a. through 1.c., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

C. Under the **Exclusions** section, the **Special Exclusions** applicable to Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form apply to the **Extra Expense Additional Coverage** and the **Business Income From Dependent Properties Additional Coverage** under Paragraph F. of Section I of this endorsement.

D. The **Exclusions** section does not apply to the Accounts Receivable Coverage Extension in Paragraph **N.** of Section **I** of this endorsement, except for the following exclusions:

1. Governmental Action;
2. Nuclear Hazard;
3. War And Military Action;
4. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more;
5. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - a. You do your best to maintain heat in the building or structure; or
 - b. You drain the equipment and shut off the supply if the heat is not maintained; and
6. We will not pay for loss or damage caused by or resulting from any of the following, **6.a.** through **6.c.** But if an excluded cause of loss that is listed in **6.a.** through **6.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in any of the following exclusions to produce the loss or damage:
 - (1) Ordinance Or Law;
 - (2) Earth Movement;
 - (3) Governmental Action;
 - (4) Nuclear Hazard;
 - (5) Utility Services;
 - (6) War And Military Action;
 - (7) Water; and
 - (8) "Fungus", Wet Rot, Dry Rot And Bacteria.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property on or off the described premises.

E. The following additional exclusion applies to the **Accounts Receivable Coverage Extension** only:

We will not pay for:

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

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

2. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

3. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

F. In the paragraph addressing special limits applicable to any one occurrence of theft under **Limitations**, the following is deleted:

1. \$2,500 for patterns, dies, molds and forms.

G. The **Property In Transit** limit under **Additional Coverage Extensions** is increased to \$25,000.

III. **Changes To Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form.**

A. The **Newly Acquired Locations** limit under **Coverage Extension** in the **Coverage** section is increased to \$250,000.

B. The number of days for **Newly Acquired Locations** under **Coverage Extension** in the **Coverage** section is increased to 120.

IV. **Changes To Building And Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form**

A. Throughout the forms modified by this endorsement the words "within 100 feet" are replaced with "within 1,000 feet."

V. **Definitions**

A. "Employee", as respects the coverage provided under Paragraph **F.** of section **I** of this endorsement for Money And Securities and Employee Dishonesty only, means:

1. Any natural person:

a. While in your service or for 30 days after termination of service;

- b. Who you compensate directly by salary, wages or commissions; and
 - c. Who you have the right to direct and control while performing services for you; or
2. Any natural person who is furnished temporarily to you:
- a. To substitute for a permanent "employee" as defined in Paragraph 1. above, who is on leave; or
 - b. To meet seasonal or short-term workload conditions;
- while that person is subject to your direction and control and performing services for you.
- "Employee" does not mean:
- (1) Any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".
- B.** "Manager", as respects the coverage provided under Paragraph **F.** of Section **I** of this endorsement for Employee Dishonesty only, means a person serving in a directorial capacity for a limited liability company.
- C.** "Money" means:
- 1. Currency, coins, and bank notes in current use and having a face value; and
 - 2. Travelers checks, register checks and money orders held for sale to the public.
- D.** "Operations" means your business activities occurring at the described premises.
- E.** "Period of Restoration" means the period of time that:
- 1. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - 2. Ends on the earlier of:
 - a. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - b. The date when business is resumed at a new permanent location.
- "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- The expiration date of this policy will not cut short the "period of restoration."
- F.** "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
- 1. Food stamps, lottery tickets, redeemed coupons, tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - 2. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
 - but does not include "money".
- G.** "Suspension" means the slowdown or cessation of your business activities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

The provisions of the Building And Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form and Causes Of Loss – Special Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Parts.

If any of the property covered by this endorsement is also covered under any other provisions of either the policy of which this endorsement is made a part or any other policy issued by us, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such property.

I. Changes To The Building And Personal Property Coverage Form

- A. The Debris Removal limit under Additional Coverages in the Coverage section is increased to \$25,000.**
- B. The Preservation Of Property time period under Additional Coverages in the Coverage section is increased to 60 days.**
- C. The Fire Department Service Charge limit under Additional Coverages in the Coverage section is increased to \$5,000.**
- D. The Pollutant Clean-up And Removal limit under Additional Coverages in the Coverage section is increased to \$25,000.**
- E. The Increased Cost Of Construction limit under Additional Coverages in the Coverage section is increased to \$25,000.**
- F. The following coverages are added to Additional Coverages in the Coverage section:**
 - 1. Reward Payment**
 - a. We will reimburse you for rewards paid as follows:**

- (1) Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:**

- (a) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or**
- (b) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.**

- (2) Up to \$5,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:**

- (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or**
- (b) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.**

- b. This Additional Coverage applies subject to the following conditions:**

- (1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:**

- (a) You or any family member;
 - (b) Your employee or any of his or her family members;
 - (c) An employee of a law enforcement agency;
 - (d) An employee of a business engaged in property protection;
 - (e) Any person who had custody of the Covered Property at the time the theft was committed; or
 - (f) Any person involved in the crime.
- (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.
- (3) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

2. Water Back-Up And Sump Overflow

- a. We will pay for direct physical loss or damage to Covered Property caused by or resulting from:
 - (1) Water which backs up through or overflows from a sewer or drain; or
 - (2) Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph (2) above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

- b. The coverage described in Paragraph a. of this Additional Coverage does not apply to loss or damage resulting from an insured's failure to:
 - (1) Keep a sump pump or its related equipment in proper working condition; or
 - (2) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.
- c. The most we will pay under this Additional Coverage is \$5,000 for each described premises. The most we will pay in any one policy period is \$25,000, regardless of the number of occurrences of loss or damage or the number of premises or locations involved.

3. Fire Extinguisher Systems Expense

- a. We will pay the cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises.
- b. No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- c. No deductible applies to this Additional Coverage.

The amount payable under this Additional Coverage is additional insurance.

4. Inventory And Appraisal Expense

You may extend the insurance that applies to Your Business Personal Property to apply to reasonable expenses incurred. This coverage applies to inventories and appraisals made at our request and not due to a disagreement.

We will not pay for any expenses incurred, directed or billed by or payable to any public adjusters or public accountants or their associates or subordinates or any costs as provided in the Loss Condition – Appraisal.

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

The amount payable under this Additional Coverage is additional insurance.

5. Utility Services – Direct Damage

a. Coverage

We will pay for loss of or damage to Covered Property caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph c. ~~if such property is located off the described premises.~~

b. Exception

This Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning described under Property Not Covered – Electronic Data.

c. Utility Services

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

- (a)** Pumping stations; and
- (b)** Water mains.

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

- (a)** Communication transmission lines, including optic fiber transmission lines;
- (b)** Coaxial cables; and
- (c)** Microwave radio relays except satellites.

Communication Supply Services does not include overhead transmission lines.

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

- (a)** Utility generating plants;
- (b)** Switching stations;
- (c)** Substations;
- (d)** Transformers; and
- (e)** Transmission lines.

Power Supply Services does not include overhead transmission lines.

d. The most we will pay for loss or damage under this Additional Coverage is \$25,000 in any one occurrence. This Additional Coverage, Utility Services – Direct Damage, does not increase the applicable Limit of Insurance.

6. Extra Expense

a. Coverage

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

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

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

(1) Extra Expense

Extra Expense means necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

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

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

(2) Additional Limitation – Interruption Of Computer Operations

Coverage for Extra Expense does not apply when action is taken to avoid or minimize a “suspension” of “operations” caused by destruction or corruption of electronic data, or any loss or damage to electronic data. Electronic data has the meaning described under Property Not Covered – Electronic Data.

b. Limits Of Insurance

The most we will pay under this Additional Coverage is \$25,000 for each described premises.

The amount payable under this Additional Coverage is additional insurance.

7. Business Income From Dependent Properties

- a. We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the coverage period. 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. However, coverage under this Additional Coverage does not apply when the only loss to dependent property is loss or damage to electronic data, including destruction or corruption of electronic data. If the dependent property sustains loss or damage to electronic data and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced. Electronic data has the meaning described under Property Not Covered – Electronic Data.

The most we will pay under this Additional Coverage is \$25,000. But we will not pay more than \$1,000 for each day's suspension of "operations" due to loss arising from any one location.

- b. 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:
- (1) Source of materials; or
 - (2) Outlet for your products.
- c. 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.
- d. Dependent property means property operated by others whom you depend on to:
- (1) Deliver materials or services to you or to others for your account. But services does not mean water services; power supply services; or communication supply services, including services relating to internet access or access to any electronic network;
 - (2) Accept your products or services;

- (3) Manufacture products for delivery to your customers under contract of sale; or
- (4) Attract customers to your business.

But dependent property does not include any road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure.

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

- e. The coverage period for Business Income under this Additional Coverage:
- (1) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
 - (2) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- f. The Business Income coverage period, as stated in Paragraph e., 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 of this policy will not reduce the Business Income coverage period.

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

The amount payable under this Additional Coverage is additional insurance.

8. Fine Arts

- a. We will pay for direct loss of or damage to Fine Arts, whether owned by:
 - (1) You; or
 - (2) Others, and in your care, custody or control.
- b. Fine arts means paintings, drawings, lithographs, rugs, tapestries, statuary, bronzes, porcelains, marbles, antique furniture, rare books and other bona fide items of artistic merit.
- c. The most we will pay for loss in any one occurrence under this Additional Coverage is \$25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. The amount payable under this Additional Coverage is additional insurance over the insurance available for Business Personal Property.
- d. The value of fine arts will be the least of the following amounts:
 - (1) The actual cash value of that property;
 - (2) The cost of reasonably restoring that property to its condition immediately before loss; or
 - (3) The cost of replacing that property with substantially identical property.
- e. In the event of loss, the value of property will be determined as of the time of loss.

9. Employee Dishonesty

- a. We will pay for direct loss of or damage to Your Business Personal Property and your "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, members or "managers") with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any "employee"; or
 - (b) Any other person or organization.

b. We will not pay for:

- (1) Loss or damage resulting from any dishonest or criminal act that you or any of your partners, members, officers, "managers", directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose commit, whether acting alone or in collusion with other persons;
 - (2) Loss or damage that is an indirect result of any act covered by this insurance including, but not limited to, loss or damage resulting from:
 - (a) Your inability to realize income that you would have realized had there been no loss of or damage to "money" or "securities";
 - (b) Payment of damages of any type for which you are legally liable. But we will pay compensatory damages arising directly from a loss covered under this insurance; or
 - (c) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
 - (3) Expenses related to any legal action; or
 - (4) Loss or damage the only proof of which as to its existence or amount is one or both of the following:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- c. The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$25,000.
- d. All loss or damage:
 - (1) Caused by one or more "employees"; and
 - (2) Involving a single act or series of related acts;is considered one occurrence.
 - e. 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.

- f. This additional Coverage does not apply to loss caused by any "employee" after discovery by:

- (1) You; or
- (2) Any of your partners, officers or directors, or members or "managers" not in collusion with the "employee";

of any dishonest act committed by that "employee" before or after being hired by you.

- g. We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.
- h. If you discover a loss or damage during the policy period that you (or any predecessor in interest) sustained 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:
- (1) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (2) 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.
- i. The insurance under Paragraph h. above is provided within, and not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
- (1) This Additional Coverage as of its effective date; or
 - (2) The prior insurance, had it remained in effect.

10. Lock Replacement And Rekeying

We will pay the necessary expenses you incur to replace locks resulting from theft or copying of keys or any other legitimate security concern. The most we will pay under this Additional Coverage during each policy period is \$5,000.

This insurance does not apply to loss caused by:

- a. Vandalism; or

- b. Wear and tear.

Lock replacement coverage is not subject to a deductible.

11. Money And Securities

- a. 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 the described premises, or in transit between any of these places.
- b. We will only pay for loss of "money" and "securities" resulting from:
- (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
- c. We will not pay for loss:
- (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase; or
 - (3) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous reading instrument in the device.
- d. The most we will pay for loss in any one occurrence is \$10,000.
- e. All loss:
- (1) Caused by one or more persons; and
 - (2) Involving a single act or series of related acts;
- is considered one occurrence.
- f. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- g. To the extent that coverage for "money" and "securities" is provided under this Additional Coverage, the Property Not Covered provisions in the Coverage section of the Building And Personal Property Coverage Form do not apply.

The amount payable under this Additional Coverage is additional insurance.

12. Employees' Tools

You may extend the insurance that applies to Your Business Personal Property to apply to tools owned by your employees located on the described premises.

The most we will pay for loss or damage under this Additional Coverage is \$5,000 for any one occurrence at ~~a each~~ described premise. However, in no event will we pay more than \$500 for ~~the tools of~~ any one employee. Our payment for loss of or damage to tools owned by employees will only be for the account of the owner of the tools.

The amount payable under this Additional Coverage is additional insurance.

- G. The **Newly Acquired Or Constructed Property-Buildings** limit under **Coverage Extensions** in the **Coverage** section is increased to \$1,000,000.
- H. The **Newly Acquired Or Constructed Property-Your Business Personal Property** limit under **Coverage Extensions** in the **Coverage** section is increased to \$500,000.
- I. The **Newly Acquired Or Constructed Property Period Of Coverage** under **Coverage Extensions** in the **Coverage** section is increased to 120 days.
- J. The **Personal Effects And Property Of Others** limit under **Coverage Extensions** in the **Coverage** section is increased to \$25,000.
- K. The **Property Off-premises** limit under **Coverage Extensions** in the **Coverage** section is increased to \$25,000.
- L. **Valuable Papers And Records (Other Than Electronic Data)** under **Coverage Extensions** in the **Coverage** section is replaced by the following:
 - 1. You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not covered – Electronic Data.
 - 2. Under this Extension, the most we will pay to replace or restore the lost information is \$25,000 at each described premises. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

M. Outdoor Property under **Coverage Extensions** in the **Coverage** section is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), ~~signs (other than signs attached to buildings)~~, trees, shrubs and plants (other than “stock” of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

1. Fire;
2. Lightning;
3. Explosion;
4. Windstorm or Hail;
5. Aircraft or Vehicles;
6. Riot or Civil Commotion; or
7. Vandalism

The most we will pay for loss or damage under this Extension is \$15,000, but not more than \$1,000 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

N. The following coverages are added to **Coverage Extensions** in the **Coverage** section:

1. Accounts Receivable

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

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to 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.

b. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at each described premises is \$25,000.

- c. To the extent that coverage for accounts receivable is provided under this Coverage Extension, the provisions of Property Not Covered in the Coverage section of the Building And Personal Property Coverage Form do not apply.

2. Sales Representative Samples

We will pay for direct physical loss or damage caused by a Covered Cause of Loss to samples of your "stock" in trade (and containers) and similar property of others.

We cover samples of your "stock" in trade while the property is:

- a. In the custody of your sales representatives and agents;
- b. In your custody while acting as a sales representative; or
- c. In transit between a described premises and your sales representatives.

The most we will pay in any one occurrence for loss to samples of your "stock" in trade is \$25,000.

- O. The limit applicable to outdoor signs, whether or not the sign is attached to a buildings under **Limits Of Insurance** is increased to \$25,000.

- P. The following is added to **Limits Of Insurance**:

- 1. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for **peak** seasonal variations.

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.

- Q. The limitation relating to the cost to repair or replace damaged building property under **Valuation** in the **Loss Conditions** section is increased to \$10,000.

- R. The following is added to **Loss Conditions** and applies to the **Extra Expense Additional Coverage** only:

1. Loss Determination

- a. The amount of Extra Expense will be determined based on:

- (1) 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:

- (a) The salvage value that remains of any property bought for temporary use during the "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 Extra Expense otherwise incurred.

- b. We will reduce the amount of your Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- c. 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.

- S. The following are added to **Additional Conditions** and apply to the **Fine Arts Additional Coverage** only:

- 1. In case of loss to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss; or
- b. Pay the difference between the value of the pair or set before and after the loss.

- 2. You must arrange for fine arts to be packed and unpacked by competent packers.

II. Changes To The Causes Of Loss – Special Form

- A. The **Exclusions** section does not apply to the coverage for **Employee Dishonesty** in Paragraph F. of Section I of this endorsement, except for the following exclusions:

- 1. Governmental Action
- 2. Nuclear Hazard; and
- 3. War and Military Action.

B. The **Water** exclusion in the **Exclusions** section is replaced by the following with respect to the **Water Back-Up And Sump Overflow Additional Coverage** only:

1. Water

- a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- b. Mudslide or mudflow;
- c. Water under the ground surface pressing on, or flowing or seeping through:
 - (1) Foundations, walls, floors or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows or other openings.But if Water, as described in **1.a.** through **1.c.**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

C. Under the **Exclusions** section, the **Special Exclusions** applicable to Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form apply to the **Extra Expense Additional Coverage** and the **Business Income From Dependent Properties Additional Coverage** under Paragraph **F.** of Section **I** of this endorsement.

D. The **Exclusions** section does not apply to the Accounts Receivable Coverage Extension in Paragraph **N.** of Section **I** of this endorsement, except for the following exclusions:

- 1. Governmental Action;
- 2. Nuclear Hazard;
- 3. War And Military Action;
- 4. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more;
- 5. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - a. You do your best to maintain heat in the building or structure; or
 - b. You drain the equipment and shut off the supply if the heat is not maintained; and

6. We will not pay for loss or damage caused by or resulting from any of the following, **6.a.** through **6.c.** But if an excluded cause of loss that is listed in **6.a.** through **6.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in any of the following exclusions to produce the loss or damage:
 - (1) Ordinance Or Law;
 - (2) Earth Movement;
 - (3) Governmental Action;
 - (4) Nuclear Hazard;
 - (5) Utility Services;
 - (6) War And Military Action;
 - (7) Water; and
 - (8) "Fungus", Wet Rot, Dry Rot And Bacteria.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;of part or all of any property on or off the described premises.

E. The following additional exclusion applies to the **Accounts Receivable Coverage Extension** only:

We will not pay for:

- 1. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.
This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- 2. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

- 3. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
- F. In the paragraph addressing special limits applicable to any one occurrence of theft under **Limitations**, the following is deleted:
 - 1. \$2,500 for patterns, dies, molds and forms.
- G. The **Property In Transit** limit under **Additional Coverage Extensions** is increased to \$25,000.

III. Changes To Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form

- A. The **Newly Acquired Locations** limit under **Coverage Extension** in the **Coverage** section is increased to \$250,000.
- B. The number of days for Newly Acquired Locations under Coverage Extension in the Coverage section is increased to 120.

IV. Changes To Building And Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form

- A. Throughout the forms modified by this endorsement the words "within 100 feet" are replaced with "within 1,000 feet."

V. Definitions

- A. "Employee", as respects the coverage provided under Paragraph F. of section I of this endorsement for Money And Securities and Employee Dishonesty only, means:
 - 1. Any natural person:
 - a. While in your service or for 30 days after termination of service;
 - b. Who you compensate directly by salary, wages or commissions; and
 - c. Who you have the right to direct and control while performing services for you; or
 - 2. Any natural person who is furnished temporarily to you:
 - a. To substitute for a permanent "employee" as defined in Paragraph 1. above, who is on leave; or
 - b. To meet seasonal or short-term workload conditions; while that person is subject to your direction and control and performing services for you.

"Employee" does not mean:

 - (1) Any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

- (2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

- B. "Manager", as respects the coverage provided under Paragraph F. of Section I of this endorsement for Employee Dishonesty only, means a person serving in a directorial capacity for a limited liability company.
- C. "Money" means:
 - 1. Currency, coins, and bank notes in current use and having a face value; and
 - 2. Travelers checks, register checks and money orders held for sale to the public.
- D. "Operations" means your business activities occurring at the described premises.
- E. "Period of Restoration" means the period of time that:
 - 1. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - 2. Ends on the earlier of:
 - a. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - b. The date when business is resumed at a new permanent location.

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

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

The expiration date of this policy will not cut short the "period of restoration."
- F. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - 1. Food stamps, lottery tickets, redeemed coupons, tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - 2. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
- G. "Suspension" means the slowdown or cessation of your business activities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WHOLESALEERS' INDUSTRY EXTENSION

This endorsement modifies insurance provided under the following:

- COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- COMMERCIAL PROPERTY COVERAGE PART – BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
- COMMERCIAL PROPERTY COVERAGE PART – BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

The provisions of the Building and Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form and Business Income (Without Extra Expense) Coverage Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Parts.

If any of the property covered by this endorsement is also covered under any other provisions of either the policy of which this endorsement is made a part, or any other policy issued by us, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such property.

I. Changes To Building And Personal Property Change Coverage Form

A. The following coverage is added to **Additional Coverages** in the **Coverage** section:

1. Brands And Labels

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

- a.** Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- b.** Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in **a.** or **b.** above. But, the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

B. The following is added to **Valuation** in the **Loss Conditions** section:

- 1.** We will determine the value of finished "stock" you manufacture, in the event of loss or damage, at:
 - a.** The selling price, as if no loss or damage occurred;
 - b.** Less discounts and expenses you otherwise would have had.

II. Changes To Business Income (And Extra Expense) And Business Income (Without Extra Expense) Coverage Forms

A. The following coverage is added to **Additional Coverages** in the **Coverage** section:

1. Contractual Penalties

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

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

The most we will pay under this coverage is \$10,000 per occurrence with a \$100,000 annual aggregate limit.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WHOLESALEERS' INDUSTRY EXTENSION

This endorsement modifies insurance provided under the following:

- COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- COMMERCIAL PROPERTY COVERAGE PART – BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
- COMMERCIAL PROPERTY COVERAGE PART – BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

The provisions of the Building and Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form and Business Income (Without Extra Expense) Coverage Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Parts.

If any of the property covered by this endorsement is also covered under any other provisions of either the policy of which this endorsement is made a part or any other policy issued by us, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such property.

I. Changes To Building And Personal Property Change Coverage Form

A. The following coverage is added to **Additional Coverages** in the **Coverage** section:

1. Brands And Labels

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

- a.** Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- b.** Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in **a.** or **b.** above. But, the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

B. The following is added to **Valuation** in the **Loss Conditions** section:

- 1.** We will determine the value of finished "stock" you manufacture, in the event of loss or damage, at:
 - a.** The selling price, as if no loss or damage occurred;
 - b.** Less discounts and expenses you otherwise would have had.

II. Changes To Business Income (And Extra Expense) And Business Income (Without Extra Expense) Coverage Forms

A. The following coverage is added to **Additional Coverages** in the **Coverage** section:

1. Contractual Penalties

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

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

The most we will pay under this coverage is \$10,000 per occurrence with a \$100,000 annual aggregate limit.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

METAL GOODS MANUFACTURERS' INDUSTRY EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

The provisions of the Building and Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form and Business Income (Without Extra Expense) Coverage Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Parts.

If any of the property covered by this endorsement is also covered under any other provisions of either the policy of which this endorsement is made a part or any other policy issued by us, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such property.

I. Changes To Building And Personal Property Coverage Form

A. The following coverage is added to **Additional Coverages** in the **Coverage** section:

1. Brands And Labels

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

- a.** Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- b.** Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in **a.** or **b.** above. But, the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

B. The following is added to **Valuation** in the **Loss Conditions** section:

- 1.** We will determine the value of finished "stock" you manufacture, in the event of loss or damage, at:
 - a.** The selling price, as if no loss or damage occurred;
 - b.** Less discounts and expenses you otherwise would have had.

II. Changes To Business Income (And Extra Expense) And Business Income (Without Extra Expense) Coverage Forms

A. The following coverage is added to **Additional Coverages** in the **Coverage** section:

1. Contractual Penalties

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

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

The most we will pay under this coverage is \$10,000 per occurrence with a \$100,000 annual aggregate limit.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**METAL GOODS MANUFACTURERS' INDUSTRY EXTENSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

The provisions of the Building and Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form and Business Income (Without Extra Expense) Coverage Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Parts.

If any of the property covered by this endorsement is also covered under any other provisions of either the policy of which this endorsement is made a part or any other policy issued by us, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such property.

I. Changes To Building And Personal Property Coverage Form

A. The following coverage is added to **Additional Coverages** in the **Coverage** section:

1. Brands And Labels

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

- a.** Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- b.** Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in **a.** or **b.** above. But, the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

B. The following is added to **Valuation** in the **Loss Conditions** section:

- 1.** We will determine the value of finished "stock" you manufacture, in the event of loss or damage, at:
 - a.** The selling price, as if no loss or damage occurred;
 - b.** Less discounts and expenses you otherwise would have had.

II. Changes To Business Income (And Extra Expense) And Business Income (Without Extra Expense) Coverage Forms

A. The following coverage is added to **Additional Coverages** in the **Coverage** section:

1. Contractual Penalties

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

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

The most we will pay under this coverage is \$10,000 per occurrence with a \$100,000 annual aggregate limit.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRINTERS' INDUSTRY EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The provisions of the Building and Personal Property Coverage Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Part.

If any of the property covered by this endorsement is also covered under any other provisions of either the policy of which this endorsement is made a part or any other policy issued by us, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such property.

I. Changes To Building And Personal Property Coverage Form

- A.** The following is added to **Your Business Personal Property** in the **Coverage** section:
1. "Specified property"

B. The following is added to **Valuation** in the **Loss Conditions** section:

1. We will determine the value of finished "stock" you manufacture, in the event of loss or damage, at:
 - a. The selling price, as if no loss or damage occurred;
 - b. Less discounts and expenses you otherwise would have had.

II. Definitions

- A.** "Specified property" means plates, positives, molds, dies, artwork, color separations, models, forms, patterns and similar property usual to the graphic arts industry.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRINTERS' INDUSTRY EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The provisions of the Building and Personal Property Coverage Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Part.

If any of the property covered by this endorsement is also covered under any other provisions of either the policy of which this endorsement is made a part or any other policy issued by us, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such property.

I. Changes To Building And Personal Property Coverage Form

- A.** The following is added to **Your Business Personal Property** in the **Coverage** section:
1. "Specified property"

B. The following is added to **Valuation** in the **Loss Conditions** section:

1. We will determine the value of finished "stock" you manufacture, in the event of loss or damage, at:
 - a. The selling price, as if no loss or damage occurred;
 - b. Less discounts and expenses you otherwise would have had.

II. Definitions

- A.** "Specified Property" means plates, positives, molds, dies, artwork, color separations, models, forms, patterns and similar property usual to the graphic arts industry.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FINANCIAL INSTITUTIONS' PROPERTY EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

The provisions of the Building And Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form and Causes Of Loss – Special Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Parts.

If any of the property covered by this endorsement is also covered under any other provisions of either the policy of which this endorsement is made a part or any other policy issued by us, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such property.

I. Changes To The Building And Personal Property Coverage Form

A. The following is deleted from **Property Not Covered** in the **Coverage** section:

1. Underground pipes, flues or drains.
- B.** The paragraph addressing property while outside of buildings under **Property Not Covered** in the **Coverage** section is replaced by the following:
 1. The following property while outside of buildings:
 - a. Grain, hay, straw or other crops;
 - b. Trees, shrubs or plants (other than “stock” of trees, shrubs or plants), all except as provided in the Coverage Extensions.

C. The following is added to **Property Not Covered** in the **Coverage** section:

1. Property sold under conditional sale, trust agreement, installment or other deferred payment plan, or in which you have retained a security interest, if the loss occurs after the property has been delivered to the customer(s).

- D.** The **Debris Removal** limit under **Additional Coverages** in the **Coverage** section is increased to \$25,000.
- E.** The **Preservation Of Property** time period under **Additional Coverages** in the **Coverage** section is increased to 60 days.
- F.** The **Fire Department Service Charge** limit under **Additional Coverages** in the **Coverage** section is increased to \$5,000.
- G.** The **Pollutant Clean-up And Removal** limit under **Additional Coverages** in the **Coverage** section is increased to \$25,000.
- H.** The **Increased Cost Of Construction** limit under **Additional Coverages** in the **Coverage** section is increased to \$25,000.
- I.** The following coverages are added to **Additional Coverages** in the **Coverage** section:

1. Reward Payment

a. We will reimburse you for rewards paid as follows:

- (1)** Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:
 - (a)** Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
 - (b)** The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.

(2) Up to \$5,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

- (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
- (b) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.

b. This Additional Coverage applies subject to the following conditions:

(1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:

- (a) You or any family member;
- (b) Your employee or any of his or her family members;
- (c) An employee of a law enforcement agency;
- (d) An employee of a business engaged in property protection;
- (e) Any person who had custody of the Covered Property at the time the theft was committed; or
- (f) Any person involved in the crime.

(2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

(3) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

2. Water Back-Up And Sump Overflow

a. We will pay for direct physical loss or damage to Covered Property caused by or resulting from:

(1) Water which backs up through or overflows from a sewer or drain; or

(2) Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph (2) above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

b. The coverage described in Paragraph a. of this Additional Coverage does not apply to loss or damage resulting from an insured's failure to:

(1) Keep a sump pump or its related equipment in proper working condition; or

(2) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

c. The most we will pay under this Additional Coverage is \$100,000 for each described premises. The most we will pay in any one policy period is \$500,000, regardless of the number of occurrences of loss or damage or the number of premises or locations involved.

3. Fire Extinguisher Systems Expense

a. We will pay the cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises.

b. No coverage will apply if the fire extinguishing system is discharged during installation or testing.

c. No deductible applies to this Additional Coverage.

The amount payable under this Additional Coverage is additional insurance.

4. Inventory And Appraisal Expense

You may extend the insurance that applies to Your Business Personal Property to apply to reasonable expenses incurred. This coverage applies to inventories and appraisals made at our request and not due to a disagreement.

We will not pay for any expenses incurred, directed or billed by or payable to any public adjusters or public accountants or their associates or subordinates or any costs as provided in the Loss Condition – Appraisal.

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

The amount payable under this Additional Coverage is additional insurance.

5. Utility Services – Direct Damage

a. Coverage

We will pay for loss of or damage to Covered Property caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph c.

b. Exception

This Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning described under Property Not Covered – Electronic Data.

c. Utility Services

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

- (a) Pumping stations; and
- (b) Water mains.

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

- (a) Communication transmission lines, including optic fiber transmission lines;
- (b) Coaxial cables; and
- (c) Microwave radio relays except satellites.

Communication Supply Services does not include overhead transmission lines.

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

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;
- (d) Transformers; and
- (e) Transmission lines.

Power Supply Services does not include overhead transmission lines.

d. The most we will pay for loss or damage under this Additional Coverage is \$25,000 in any one occurrence. This Additional Coverage, Utility Services – Direct Damage, does not increase the applicable Limit of Insurance.

6. Extra Expense

a. Coverage

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

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

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

(1) Extra Expense

Extra Expense means necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- (a) Avoid or minimize the “suspension” of business and to continue “operations” at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (b) Minimize the “suspension” of business if you cannot continue “operations”.

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

(2) Additional Limitation – Interruption Of Computer Operations

Coverage for Extra Expense does not apply when action is taken to avoid or minimize a “suspension” of “operations” caused by destruction or corruption of electronic data, or any loss or damage to electronic data. Electronic data has the meaning described under Property Not Covered – Electronic Data.

(3) Additional Coverage – Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

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

- (a) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (b) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end four consecutive weeks after the date of that action.

This Additional Coverage – Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in California, such one-mile radius is replaced by three miles. With respect to described premises located in Florida, such one-mile radius does not apply.

This Additional Coverage – Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four week period is replaced by a three-week period.

b. Limits Of Insurance

The most we will pay under this Additional Coverage is \$150,000 for each described premises.

The amount payable under this Additional Coverage is additional insurance. Payments under the Civil Authority coverage will not increase the applicable limit of insurance.

7. Rental Value

a. Coverage

We will pay for the actual loss of “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 premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

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

- (1) The portion of the building which you rent 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.

b. Additional Limitation – Interruption Of Computer Operations

- (1) Coverage for “Rental Value” does not apply when a “suspension” of “operations” is caused by destruction or corruption of electronic data, or any loss or damage to electronic data.
- (2) Electronic data has the meaning described under Property Not Covered – Electronic Data.

c. Additional Coverage – Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of “Rental Value” you sustain caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for “Rental Value” will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

This Additional Coverage – Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in California, such one-mile radius is replaced by three miles. With respect to described premises located in Florida, such one-mile radius does not apply.

This Additional Coverage – Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four week period is replaced by a three-week period.

d. Limits Of Insurance

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

The amount payable under this Additional Coverage is additional insurance. Payments under the Civil Authority coverage will not increase the applicable limit of insurance.

8. Fine Arts

- a.** We will pay for direct loss of or damage to Fine Arts, whether owned by:

- (1) You; or
- (2) Others, and in your care, custody or control.

- b.** Fine arts means paintings, drawings, lithographs, rugs, tapestries, statuary, bronzes, porcelains, marbles, antique furniture, rare books and other bona fide items of artistic merit.

- c.** The most we will pay for loss in any one occurrence under this Additional Coverage is \$25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. The amount payable under this Additional Coverage is additional insurance over the insurance available for Business Personal Property.

- d.** The value of fine arts will be the least of the following amounts:

- (1) The actual cash value of that property;
- (2) The cost of reasonably restoring that property to its condition immediately before loss; or
- (3) The cost of replacing that property with substantially identical property.

- e. In the event of loss, the value of property will be determined as of the time of loss.

9. Removal Of Property Not Covered

We will pay the necessary expenses incurred to remove windblown debris of property not covered from the described premises. The most we will pay for such removal is \$10,000, but not more than \$250 for any one tree, shrub or plant.

10. Lock Replacement And Rekeying

We will pay the necessary expenses you incur to replace locks resulting from theft or copying of keys or any other legitimate security concern. The most we will pay under this Additional Coverage during each policy period is \$5,000.

This insurance does not apply to loss caused by:

- a. Vandalism; or
- b. Wear and tear.

Lock replacement coverage is not subject to a deductible.

11. Employees' Tools

You may extend the insurance that applies to Your Business Personal Property to apply to tools owned by your employees located on the described premises.

The most we will pay for loss or damage under this Additional Coverage is \$5,000 for any one occurrence at each described premise. However, in no event will we pay more than \$500 for any one employee. Our payment for loss of or damage to tools owned by employees will only be for the account of the owner of the tools.

The amount payable under this Additional Coverage is additional insurance.

- J. The **Newly Acquired Or Constructed Property – Buildings** limit under **Coverage Extensions** in the **Coverage** section is increased to \$1,000,000.
- K. The **Newly Acquired Or Constructed Property – Your Business Personal Property** limit under **Coverage Extensions** in the **Coverage** section is increased to \$500,000.
- L. The **Newly Acquired Or Constructed Property – Period Of Coverage** under **Coverage Extensions** in the **Coverage** section is increased to 120 days.
- M. The **Personal Effects And Property Of Others** limit under **Coverage Extensions** in the **Coverage** section is increased to \$50,000.

- N. The **Property Off-premises** limit under **Coverage Extensions** in the **Coverage** section is increased to \$100,000.

O. Valuable Papers And Records (Other Than Electronic Data) under **Coverage Extensions** in the **Coverage** section is replaced by the following:

- 1. You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not covered – Electronic Data.
- 2. Under this Extension, the most we will pay to replace or restore the lost information is \$100,000 at each described premises. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

P. Outdoor Property under **Coverage Extensions** in the **Coverage** section is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor trees, shrubs and plants (other than “stock” of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- 1. Fire;
- 2. Lightning;
- 3. Explosion;
- 4. Windstorm or Hail;
- 5. Aircraft or Vehicles;
- 6. Riot or Civil Commotion; or
- 7. Vandalism

The most we will pay for loss or damage under this Extension is \$50,000, but not more than \$5,000 for trees, shrubs or plants and not more than \$1,000 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Q. The following coverages are added to **Coverage Extensions** in the **Coverage** section:

1. Accounts Receivable

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

- (1)** All amounts due from your customers that you are unable to collect;
- (2)** Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3)** Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4)** Other reasonable expenses that you incur to 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.

b. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at each described premises is \$25,000.

c. To the extent that coverage for accounts receivable is provided under this Coverage Extension, the provisions of Property Not Covered in the Coverage section of the Building And Personal Property Coverage Form do not apply.

2. Sales Representative Samples

We will pay for direct physical loss or damage caused by a Covered Cause of Loss to samples of your "stock" in trade (and containers) and similar property of others.

We cover samples of your "stock" in trade while the property is:

- a.** In the custody of your sales representatives and agents;
- b.** In your custody while acting as a sales representative; or
- c.** In transit between a described premises and your sales representatives.

The most we will pay in any one occurrence for loss to samples of your "stock" in trade is \$25,000.

R. Under **Limits Of Insurance** the paragraph addressing the limit applicable to outdoor signs, whether or not the sign is attached to a building is replaced by the following:

The most we will pay in any one occurrence for loss or damage to outdoor signs, whether or not the sign is attached to a building is the applicable building limit or the applicable business personal property limit if building coverage is not applicable.

S. The following is added to **Limits Of Insurance**:

1. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.

This increase will apply only if the Limit of Insurance shown for 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.

T. The limitation relating to the cost to repair or replace damaged building property under **Valuation** in the **Loss Conditions** section is increased to \$10,000.

U. The following is added to **Loss Conditions** and applies to the **Extra Expense Additional Coverage** and the **Rental Value Additional Coverage** only:

1. Loss Determination

a. The amount of Business Income loss will be determined based on:

- (1)** The Net Income of the business before the direct physical loss or damage occurred;
- (2)** The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3)** 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

- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
 - b. The amount of Extra Expense will be determined based on:
 - (1) 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:
 - (a) The salvage value that remains of any property bought for temporary use during the "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; and
 - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
 - c. **Resumption Of Operations**
We will reduce the amount of your:
 - (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
 - d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- V. The following are added to **Additional Conditions** and apply to the **Fine Arts Additional Coverage** only:
 - 1. In case of loss to any part of a pair or set we may:
 - a. Repair or replace any part to restore the pair or set to its value before the loss; or
 - b. Pay the difference between the value of the pair or set before and after the loss.
 - 2. You must arrange for fine arts to be packed and unpacked by competent packers.
- II. Changes To The Causes Of Loss – Special Form**
- A. Under the **Exclusions** section, the following paragraph is deleted:
 - 1. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - B. The **Water** exclusion in the **Exclusions** section is replaced by the following with respect to the **Water Back-Up And Sump Overflow Additional Coverage** only:
 - 1. **Water**
 - a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
 - b. Mudslide or mudflow;
 - c. Water under the ground surface pressing on, or flowing or seeping through:
 - (1) Foundations, walls, floors or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows or other openings.

But if Water, as described in 1.a. through 1.c., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.
 - C. Under the **Exclusions** section, the **Special Exclusions** applicable to Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form apply to the **Extra Expense Additional Coverage** and the **Rental Value Additional Coverage** under Paragraph I. of Section I of this endorsement.
 - D. The **Exclusions** section does not apply to the **Accounts Receivable Coverage Extension** in Paragraph Q. of Section I of this endorsement, except for the following exclusions:
 - 1. Governmental Action;
 - 2. Nuclear Hazard;

3. War And Military Action;
 4. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more;
 5. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - a. You do your best to maintain heat in the building or structure; or
 - b. You drain the equipment and shut off the supply if the heat is not maintained; and
 6. We will not pay for loss or damage caused by or resulting from any of the following, **6.a.** through **6.c.** But if an excluded cause of loss that is listed in **6.a.** through **6.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in any of the following exclusions to produce the loss or damage:
 - (1) Ordinance Or Law;
 - (2) Earth Movement;
 - (3) Governmental Action;
 - (4) Nuclear Hazard;
 - (5) Utility Services;
 - (6) War And Military Action;
 - (7) Water; and
 - (8) "Fungus", Wet Rot, Dry Rot And Bacteria.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any property on or off the described premises.
 - E. The following additional exclusion applies to the **Accounts Receivable Coverage Extension** only:

We will not pay for:

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

This exclusion applies only to the extent of the wrongful giving, taking or withholding.
 2. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
 3. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
 - F. Under the **Limitations** section, the following paragraph is deleted:
 1. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - G. In the paragraph addressing special limits applicable to any one occurrence of theft under **Limitations**, the following is deleted:
 1. \$2,500 for patterns, dies, molds and forms.
 - H. The **Property In Transit** limit under **Additional Coverage Extensions** is increased to \$25,000.
- III. Changes To Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form.**
- A. The **Newly Acquired Locations** limit under **Coverage Extension** in the **Coverage** section is increased to \$250,000.
 - B. The number of days for **Newly Acquired Locations** under **Coverage Extension** in the **Coverage** section is increased to 120.
- IV. Changes To Building And Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form**
- A. Throughout the forms modified by this endorsement the words "within 100 feet" are replaced with "within 1,000 feet."
- V. Definitions**
- A. "Money" means:
 1. Currency, coins, and bank notes in current use and having a face value; and
 2. Travelers checks, register checks and money orders held for sale to the public.

- B. "Operations" means:**
1. Your business activities occurring at the described premises; and
 2. The tenantability of the described premises for "Rental Value".
- C. "Period of Restoration" means the period of time that:**
1. Begins:
 - a. 72 hours after the time of direct physical loss or damage for "Rental Value" coverage; or
 - b. Immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and
 2. Ends on the earlier of:
 - a. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - b. The date when business is resumed at a new permanent location.

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

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

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

- D. "Rental Value" means Business Income that consists of:**
1. Net Income (Net profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 2. Continuing normal operating expenses incurred in connection with that premises, including:
 - a. Payroll; and
 - b. The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
- E. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:**
1. Food stamps, lottery tickets, redeemed coupons, tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 2. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
- F. "Suspension" means:**
1. The slowdown or cessation of your business activities; or
 2. That a part or all of the described premises is rendered untenable.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FINANCIAL INSTITUTIONS PROPERTY EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

The provisions of the Building And Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form and Causes Of Loss – Special Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Parts.

If any of the property covered by this endorsement is also covered under any other provisions of either the policy of which this endorsement is made a part or any other policy issued by us, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such property.

I. Changes To The Building And Personal Property Coverage Form

A. The following is deleted from **Property Not Covered** in the **Coverage** section:

1. Underground pipes, flues or drains.

B The paragraph addressing property while outside of buildings under **Property Not Covered** in the **Coverage** section is replaced by the following:

1. The following property while outside of buildings:

a. Grain, hay, straw or other crops;

b. ~~Signs (other than signs attached to buildings),~~ Trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

C. The following is added to **Property Not Covered** in the **Coverage** section:

1. Property sold under conditional sale, trust agreement, installment or other deferred payment plan, or in which you have retained a security interest, if the loss occurs after the property has been delivered to the customer(s).

D. The **Debris Removal** limit under **Additional Coverages** in the **Coverage** section is increased to \$25,000.

E. The **Preservation Of Property** time period under **Additional Coverages** in the **Coverage** section is increased to 60 days.

F. The **Fire Department Service Charge** limit under **Additional Coverages** in the **Coverage** section is increased to \$5,000.

G. The **Pollutant Clean-up And Removal** limit under **Additional Coverages** in the **Coverage** section is increased to \$25,000.

H. The **Increased Cost Of Construction** limit under **Additional Coverages** in the **Coverage** section is increased to \$25,000.

I. The following coverages are added to **Additional Coverages** in the **Coverage** section:

1. Reward Payment

a. We will reimburse you for rewards paid as follows:

(1) Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

(a) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or

- (b) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.
 - (2) Up to \$5,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
 - (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
 - (b) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.
- b. This Additional Coverage applies subject to the following conditions:
- (1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:
 - (a) You or any family member;
 - (b) Your employee or any of his or her family members;
 - (c) An employee of a law enforcement agency;
 - (d) An employee of a business engaged in property protection;
 - (e) Any person who had custody of the Covered Property at the time the theft was committed; or
 - (f) Any person involved in the crime.
 - (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.
 - (3) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

2. Water Back-Up And Sump Overflow

- a. We will pay for direct physical loss or damage to Covered Property caused by or resulting from:

- (1) Water which backs up through or overflows from a sewer or drain; or
- (2) Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph (2) above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

- b. The coverage described in Paragraph a. of this Additional Coverage does not apply to loss or damage resulting from an insured's failure to:

- (1) Keep a sump pump or its related equipment in proper working condition; or
- (2) Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

- c. The most we will pay under this Additional Coverage is ~~\$10,000~~ **\$100,000** for each described premises. The most we will pay in any one policy period is ~~\$50,000~~ **\$500,000**, regardless of the number of occurrences of loss or damage or the number of premises or locations involved.

3. Fire Extinguisher Systems Expense

- a. We will pay the cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises.
- b. No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- c. No deductible applies to this Additional Coverage.

The amount payable under this Additional Coverage is additional insurance.

4. Inventory And Appraisal Expense

You may extend the insurance that applies to Your Business Personal Property to apply to reasonable expenses incurred. This coverage applies to inventories and appraisals made at our request and not due to a disagreement.

We will not pay for any expenses incurred, directed or billed by or payable to any public adjusters or public accountants or their associates or subordinates or any

costs as provided in the Loss Condition – Appraisal.

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

The amount payable under this Additional Coverage is additional insurance.

5. Utility Services – Direct Damage

a. Coverage

We will pay for loss of or damage to Covered Property caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph c. ~~if such property is located off the described premises.~~

b. Exception

This Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning described under Property Not Covered – Electronic Data.

c. Utility Services

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

- (a) Pumping stations; and
- (b) Water mains.

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

- (a) Communication transmission lines, including optic fiber transmission lines;
- (b) Coaxial cables; and
- (c) Microwave radio relays except satellites.

Communication Supply Services does not include overhead transmission lines.

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

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;

(d) Transformers; and

(e) Transmission lines.

Power Supply Services does not include overhead transmission lines.

d. The most we will pay for loss or damage under this Additional Coverage is \$25,000 in any one occurrence. This Additional Coverage, Utility Services – Direct Damage, does not increase the applicable Limit of Insurance.

6. Extra Expense

a. Coverage

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

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

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

(1) Extra Expense

Extra Expense means necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- (a) Avoid or minimize the “suspension” of business and to continue “operations” at the described premises or at replacement premises or temporary locations, including relocation expenses and costs

to equip and operate the replacement location or temporary location.

- (b) Minimize the “suspension” of business if you cannot continue “operations”.

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

(2) Additional Limitation – Interruption Of Computer Operations

Coverage for Extra Expense does not apply when action is taken to avoid or minimize a “suspension” of “operations” caused by destruction or corruption of electronic data, or any loss or damage to electronic data. Electronic data has the meaning described under Property Not Covered – Electronic Data.

(3) Additional Coverage – Civil Authority

~~We will pay for the actual and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. This coverage will apply for a period of up to three consecutive weeks from the date of that action.~~

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage form applies, as shown in the Declarations.

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

- (a) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile

from the damaged property; and

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

Civil Authority Coverage will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end four consecutive weeks after the date of that action.

This Additional Coverage – Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in California, such one-mile radius is replaced by three miles. With respect to described premises located in Florida, such one-mile radius does not apply.

This Additional Coverage – Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four week period is replaced by a three-week period.

b. Limits Of Insurance

The most we will pay under this Additional Coverage is \$150,000 for each described premises.

The amount payable under this Additional Coverage is additional insurance. Payments under the Civil Authority coverage will not increase the applicable limit of insurance.

7. Rental Value

a. Coverage

We will pay for the actual loss of “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 premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or

personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

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

- (1) The portion of the building which you rent 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.

b. Additional Limitation – Interruption Of Computer Operations

- (1) Coverage for “Rental Value” does not apply when a “suspension” of “operations” is caused by destruction or corruption of electronic data, or any loss or damage to electronic data.
- (2) Electronic data has the meaning described under Property Not Covered – Electronic Data.

c. Additional Coverage – Civil Authority

~~We will pay for the actual loss of “Rental Value” you sustain caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property other than at the described premises, caused by or resulting from any Covered Cause of Loss.~~

~~The coverage for “Rental Value” will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.~~

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of “Rental Value” you sustain caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one

mile from the damaged property; and

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

Civil Authority Coverage for “Rental Value” will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

This Additional Coverage – Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in California, such one-mile radius is replaced by three miles. With respect to described premises located in Florida, such one-mile radius does not apply.

This Additional Coverage – Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four week period is replaced by a three-week period.

d. Limits Of Insurance

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

The amount payable under this Additional Coverage is additional insurance. Payments under the Civil Authority coverage will not increase the applicable limit of insurance.

8. Fine Arts

- a. We will pay for direct loss of or damage to Fine Arts, whether owned by:

- (1) You; or
- (2) Others, and in your care, custody or control.

- b. Fine arts means paintings, drawings, lithographs, rugs, tapestries, statuary, bronzes, porcelains, marbles, antique furniture, rare books and other bona fide items of artistic merit.

- c. The most we will pay for loss in any one occurrence under this Additional Coverage is \$25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the

owner of the property. The amount payable under this Additional Coverage is additional insurance over the insurance available for Business Personal Property.

- d. The value of fine arts will be the least of the following amounts:
 - (1) The actual cash value of that property;
 - (2) The cost of reasonably restoring that property to its condition immediately before loss; or
 - (3) The cost of replacing that property with substantially identical property.
- e. In the event of loss, the value of property will be determined as of the time of loss.

9. Removal Of Property Not Covered

We will pay the necessary expenses incurred to remove windblown debris of property not covered from the described premises. The most we will pay for such removal is \$10,000, but not more than \$250 for any one tree, shrub or plant.

10. Lock Replacement And Rekeying

We will pay the necessary expenses you incur to replace locks resulting from theft or copying of keys or any other legitimate security concern. The most we will pay under this Additional Coverage during each policy period is \$5,000.

This insurance does not apply to loss caused by:

- a. Vandalism; or
- b. Wear and tear.

Lock replacement coverage is not subject to a deductible.

11. Employees' Tools

You may extend the insurance that applies to Your Business Personal Property to apply to tools owned by your employees located on the described premises.

The most we will pay for loss or damage under this Additional Coverage is \$5,000 for any one occurrence at **a each** described premise. However, in no event will we pay more than \$500 for **the tools of** any one employee. Our payment for loss of or damage to tools owned by employees will only be for the account of the owner of the tools.

The amount payable under this Additional Coverage is additional insurance.

- J. The **Newly Acquired Or Constructed Property – Buildings** limit under **Coverage Extensions** in the **Coverage** section is increased to \$1,000,000.

- K. The **Newly Acquired Or Constructed Property – Your Business Personal Property** limit under **Coverage Extensions** in the **Coverage** section is increased to \$500,000.

- L. The **Newly Acquired Or Constructed Property – Period Of Coverage** under **Coverage Extensions** in the **Coverage** section is increased to 120 days.

- M. The **Personal Effects And Property Of Others** limit under **Coverage Extensions** in the **Coverage** section is increased to \$50,000.

- N. The **Property Off-premises** limit under **Coverage Extensions** in the **Coverage** section is increased to \$100,000.

- O. **Valuable Papers And Records (Other Than Electronic Data)** under **Coverage Extensions** in the **Coverage** section is replaced by the following:

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

- 2. Under this Extension, the most we will pay to replace or restore the lost information is \$100,000 at each described premises. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

- P. **Outdoor Property** under **Coverage Extensions** in the **Coverage** section is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor **signs (other than signs attached to buildings)**, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

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

7. Vandalism

The most we will pay for loss or damage under this Extension is \$50,000, but not more than \$5,000 for trees, shrubs or plants and not more than \$1,000 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

- Q. The following coverages are added to **Coverage Extensions** in the **Coverage** section:

1. Accounts Receivable

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

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to 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.

- b. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at each described premises is \$25,000.
- c. To the extent that coverage for accounts receivable is provided under this Coverage Extension, the provisions of Property Not Covered in the Coverage section of the Building And Personal Property Coverage Form do not apply.

2. Sales Representative Samples

We will pay for direct physical loss or damage caused by a Covered Cause of Loss to samples of your "stock" in trade (and containers) and similar property of others.

We cover samples of your "stock" in trade while the property is:

- a. In the custody of your sales representatives and agents;
- b. In your custody while acting as a sales representative; or

- c. In transit between a described premises and your sales representatives.

The most we will pay in any one occurrence for loss to samples of your "stock" in trade is \$25,000.

- R. Under **Limits Of Insurance** the paragraph addressing the limit applicable to outdoor signs, whether or not the sign is attached to a building~~s~~ is replaced by the following:

The most we will pay in any one occurrence for loss or damage to outdoor signs, whether or not the sign is attached to a building~~s~~ is the applicable building limit or the applicable business personal property limit if building coverage is not applicable.

- S. The following is added to **Limits Of Insurance**:

1. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for **peak** seasonal variations.

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.

- T. The limitation relating to the cost to repair or replace damaged building property under **Valuation** in the **Loss Conditions** section is increased to \$10,000.

- U. The following is added to **Loss Conditions** and applies to the **Extra Expense Additional Coverage** and the **Rental Value Additional Coverage** only:

1. Loss Determination

- a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) 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

(4) Other relevant sources of information, including:

(a) Your financial records and accounting procedures;

(b) Bills, invoices and other vouchers; and

(c) Deeds, liens or contracts.

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

(1) 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:

(a) The salvage value that remains of any property bought for temporary use during the "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; and

(2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. **Resumption Of Operations**

We will reduce the amount of your:

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

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

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

V. The following are added to **Additional Conditions** and apply to the **Fine Arts Additional Coverage** only:

1. In case of loss to any part of a pair or set we may:

a. Repair or replace any part to restore the pair or set to its value before the loss; or

b. Pay the difference between the value of the pair or set before and after the loss.

2. You must arrange for fine arts to be packed and unpacked by competent packers.

II. **Changes To The Causes Of Loss – Special Form**

A. Under the **Exclusions** section, the following paragraph is deleted:

1. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

B. The **Water** exclusion in the **Exclusions** section is replaced by the following with respect to the **Water Back-Up And Sump Overflow Additional Coverage** only:

1. **Water**

a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

b. Mudslide or mudflow;

c. Water under the ground surface pressing on, or flowing or seeping through:

(1) Foundations, walls, floors or paved surfaces;

(2) Basements, whether paved or not; or

(3) Doors, windows or other openings.

But if Water, as described in 1.a. through 1.c., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

C. Under the **Exclusions** section, the **Special Exclusions** applicable to Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form apply to the **Extra Expense Additional Coverage** and the **Rental Value Additional Coverage** under Paragraph I. of Section I of this endorsement.

D. The **Exclusions** section does not apply to the **Accounts Receivable Coverage Extension** in Paragraph Q. of Section I of this endorsement, except for the following exclusions:

1. Governmental Action;

2. Nuclear Hazard;

3. War And Military Action;
4. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more;
5. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - a. You do your best to maintain heat in the building or structure; or
 - b. You drain the equipment and shut off the supply if the heat is not maintained; and
6. We will not pay for loss or damage caused by or resulting from any of the following, **6.a. through 6.c.** But if an excluded cause of loss that is listed in **6.a. through 6.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in any of the following exclusions to produce the loss or damage:
 - (1) Ordinance Or Law;
 - (2) Earth Movement;
 - (3) Governmental Action;
 - (4) Nuclear Hazard;
 - (5) Utility Services;
 - (6) War And Military Action;
 - (7) Water; and
 - (8) "Fungus", Wet Rot, Dry Rot And Bacteria.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;

of part or all of any property on or off the described premises.
- E. The following additional exclusion applies to the **Accounts Receivable Coverage Extension** only:

We will not pay for:

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

This exclusion applies only to the extent of the wrongful giving, taking or withholding.
 2. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
 3. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
 - F. Under the **Limitations** section, the following paragraph is deleted:
 1. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - G. In the paragraph addressing special limits applicable to any one occurrence of theft under **Limitations**, the following is deleted:
 1. \$2,500 for patterns, dies, molds and forms.
 - H. The **Property In Transit** limit under **Additional Coverage Extensions** is increased to \$25,000.
- III. Changes To Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form.**
- A. The **Newly Acquired Locations** limit under **Coverage Extension** in the **Coverage** section is increased to \$250,000.
 - B. The number of days for Newly acquired Locations under Coverage Extension in the Coverage section is increased to 120.**
- IV. Changes To Building And Personal Property Coverage Form, Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Extra Expense Coverage Form**
- A. Throughout the forms modified by this endorsement the words "within 100 feet" are replaced with "within 1,000 feet."
- V. Definitions**
- A. "Money" means:
 1. Currency, coins, and bank notes in current use and having a face value; and
 2. Travelers checks, register checks and money orders held for sale to the public.
 - B. "Operations" means:
 1. Your business activities occurring at the described premises; and
 2. The tenantability of the described premises for "Rental Value".

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

1. Begins:

- a. 72 hours after the time of direct physical loss or damage for "Rental Value" coverage; or
- b. Immediately after the time of direct physical loss or damage for Extra Expense coverage;

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

2. Ends on the earlier of:

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

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

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

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

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

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

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

1. Food stamps, lottery tickets, redeemed coupons, tokens, tickets, revenue and other stamps (whether represented by

actual stamps or unused value in a meter) in current use; and

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

F. "Suspension" means:

1. The slowdown or cessation of your business activities; or
2. That a part or all of the described premises is rendered untenable.

QUICK REFERENCE
COMMERCIAL COVERAGE PART
READ YOUR POLICY CAREFULLY

DECLARATIONS PAGE

- Named Insured and Mailing Address
- Policy Period
- Business Description
- Description of Premises
- Coverages Provided, Limits of Insurance, Covered Causes of Loss and Coinsurance
- Optional Coverages
- Special Interests
- Deductible
- Forms Applicable

The following are some commonly used property coverage forms. Your policy may contain some or all of these forms. To tailor the policy to meet the needs of your business, it may also contain coverage forms which have not been listed below.

	Beginning On Page
BUILDING AND PERSONAL PROPERTY COVERAGE FORM – CP 00 10	
A. Coverage	1
B. Exclusions and Limitations	8
C. Limits of Insurance	8
D. Deductible	9
E. Loss Conditions	9
F. Additional Conditions	12
G. Optional Coverages	14
H. Definitions	15
BUSINESS INCOME COVERAGE FORM – CP 00 30	
A. Coverage	1
B. Limits of Insurance	5
C. Loss Conditions	5
D. Additional Condition	6
E. Optional Coverages	7
F. Definitions	9
LEGAL LIABILITY COVERAGE FORM – CP 00 40	
A. Coverage	1
B. Exclusions and Limitations	2
C. Limits of Insurance	2
D. Loss Conditions	3
E. Additional Conditions	3
F. Definition	4

EXTRA EXPENSE COVERAGE FORM – CP 00 50

A. Coverage	1
B. Limits of Insurance	3
C. Loss Conditions	3
D. Definitions	5

The following are Causes of Loss forms. The one that applies to your policy is listed on the Commercial Property Declarations.

CAUSES OF LOSS – BASIC FORM – CP 10 10 Beginning
On Page

A. Covered Causes of Loss	1
B. Exclusions	2

CAUSES OF LOSS – BROAD FORM – CP 10 20

A. Covered Causes of loss	1
B. Exclusions	2
C. Additional Coverage – Collapse	5

CAUSES OF LOSS – SPECIAL FORM – CP 10 30

A. Covered Causes of Loss	1
B. Exclusions	1
C. Limitations	6
D. Additional Coverage – Collapse	7
E. Additional Coverage – Limited Coverage for “Fungus”, Wet Rot, Dry Rot, and Bacteria	8
F. Additional Coverage Extensions	9
G. Definitions	9

COMMERCIAL PROPERTY CONDITIONS – CP 00 90

- A. Concealment, Misrepresentation and Fraud
- B. Control of Property
- C. Insurance Under Two or More Coverages
- D. Legal Action Against Us
- E. Liberalization
- F. No Benefit to Bailee
- G. Other Insurance
- H. Policy Period, Coverage Territory
- I. Transfer of Rights of Recovery Against Others to Us

COMMON POLICY CONDITIONS – IL 00 17

- A. Cancellation
- B. Changes
- C. Examination of Your Books and Records
- D. Inspections and Surveys
- E. Premiums
- F. Transfer of Your Rights and Duties Under this Policy

ENDORSEMENTS (If Any)

QUICK REFERENCE
COMMERCIAL PROPERTY COVERAGE PART
READ YOUR POLICY CAREFULLY

DECLARATIONS PAGE

- Named Insured and Mailing Address
- Policy Period
- Business Description
- Description of Premises
- Coverages Provided, Limits of Insurance, Covered Causes of Loss and Coinsurance
- Optional Coverages
- Special Interests
- Deductible
- Forms Applicable

The following are some commonly used property coverage forms. Your policy may contain some or all of these forms. To tailor the policy to meet the needs of your business, it may also contain coverage forms which have not been listed below.

	Beginning On Page
BUILDING AND PERSONAL PROPERTY COVERAGE FORM – CP 00 10	
A. Coverage	<u>1</u>
B. Exclusions <u>and Limitations</u>	<u>8</u>
C. Limits of Insurance	<u>8</u>
D. Deductible	<u>9</u>
E. Loss Conditions	<u>9</u>
F. Additional Conditions	<u>12</u>
G. Optional Coverages	<u>14</u>
H. Definitions	<u>15</u>
BUSINESS INCOME COVERAGE FORM – CP 00 30	
A. Coverage	1
B. Exclusions	3
C. B. Limits of Insurance	<u>5</u>
D. C. Loss Conditions	<u>5</u>
E. D. Additional Conditions	<u>6</u>
F. E. Optional Coverages	<u>7</u>
G. F. Definitions	<u>9</u>
LEGAL LIABILITY COVERAGE FORM – CP 00 40	
A. Coverage	<u>1</u>
B. Exclusions <u>and Limitations</u>	<u>2</u>
C. Limits of Insurance	<u>2</u>
D. Loss Conditions	<u>3</u>
E. Additional Conditions	<u>3</u>
F. Definitions	<u>4</u>

EXTRA EXPENSE COVERAGE FORM – CP 00 50

A.	Coverage	1
B.	Exclusions	2
C. B.	Limits of Insurance	3
D. C.	Loss Conditions	3
E. D.	Definitions	5

The following are Causes of Loss forms. The one that applies to your policy is listed on the Commercial Property Declarations.

	Beginning On Page
CAUSES OF LOSS – BASIC FORM – CP 10 10	
A. Covered Causes of Loss	1
B. Exclusions	2
CAUSES OF LOSS – BROAD FORM – CP 10 20	
A. Covered Causes of loss	1
B. Exclusions	2
C. Additional Coverage – Collapse	5
CAUSES OF LOSS – SPECIAL FORM – CP 10 30	
A. Covered Causes of Loss	1
B. Exclusions	1
C. Limitations	6
D. Additional Coverage – Collapse	7
<u>E. Additional Coverage – Limited Coverage for “Fungus”, Wet Rot, Dry Rot, and Bacteria</u>	8
E. F. Additional Coverage Extensions	9
F. G. Definitions	9
COMMERCIAL PROPERTY CONDITIONS – CP 00 90	
A. Concealment, Misrepresentation and Fraud	
B. Control of Property	
C. Insurance Under Two or More Coverages	
D. Legal Action Against Us	
E. Liberalization	
F. No Benefit to Bailee	
G. Other Insurance	
H. Policy Period, Coverage Territory	
I. Transfer of Rights of Recovery Against Others to Us	
COMMON POLICY CONDITIONS – IL 00 17	
A. Cancellation	
B. Changes	
C. Examination of Your Books and Records	
D. Inspections and Surveys	
E. Premiums	
F. Transfer of Your Rights and Duties Under this Policy	
ENDORSEMENTS (If Any)	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HOSPITALS' INDUSTRY EXTENSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – CAUSES OF LOSS – SPECIAL FORM

The provisions of the Building And Personal Property Coverage Form and Causes Of Loss – Special Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Parts.

If any of the property covered by this endorsement is also covered under any other provisions of the policy of which this endorsement is made a part, in the event of loss or damage you may elect to make claim (1) under such other provisions in which case none of the provisions of this endorsement are applicable, or (2) under the provisions of this endorsement in which case coverage provided by this endorsement becomes the sole coverage on such property.

I. Changes To The Building And Personal Property Coverage Form

A. The following coverage is added to **Additional Coverages** in the **Coverage** section:

1. Radioactive Contamination

We will pay for direct physical loss or damage to Covered Property resulting from Radioactive Contamination.

Radioactive Contamination means direct physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage to the Covered Property.

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

- a.** The described premises contains:
 - (1)** A nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction; or

- (2)** Any new or used nuclear fuel intended for or used in such a nuclear reactor.

- b.** The contamination arises from radioactive material not located at the described premises.

The most we will pay for loss or damage resulting from Radioactive Contamination is the applicable Limit of Insurance or \$500,000, whichever is less, for each described premises. The most we will pay for loss or damage resulting from Radioactive Contamination in any one policy period is \$500,000, regardless of the number of occurrences of loss or damage or the number of premises or locations involved. This will not increase the applicable Limit of Insurance shown in the Declarations.

II. Changes To Causes Of Loss – Special Form

A. The **Nuclear Hazard** exclusion in the **Exclusions** section is replaced by the following:

1. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused, except as provided above in the Additional Coverage for Radioactive Contamination.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the loss or damage caused by that fire.

B. In the paragraph addressing special limits applicable to any one occurrence of theft under **Limitations**, the limit for stamps, tickets, including lottery tickets held for sale, and letters of credit is increased to \$5,000.

SERFF Tracking Number: *EMCC-125779348* *State:* *Arkansas*
First Filing Company: *EMC Property & Casualty Company, ...* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *AR-CP-2008-06*
TOI: *01.0 Property* *Sub-TOI:* *01.0001 Commercial Property (Fire and Allied Lines)*

Product Name: *Commercial Property*
Project Name/Number: */*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: EMCC-125779348 State: Arkansas
First Filing Company: EMC Property & Casualty Company, ... State Tracking Number: EFT \$50
Company Tracking Number: AR-CP-2008-06
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Commercial Property
Project Name/Number: /

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 08/22/2008

Comments:

Attachment:

pctd.pdf

Satisfied -Name: Form Memorandum **Review Status:** Approved 08/22/2008

Comments:

Attachment:

Form memorandum.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
EMC Insurance Companies	062

4. Company Name(s)	Domicile	NAIC #	FEIN #
Employers Mutual Casualty Company	IA	21415	42-0234980
EMCASCO Insurance Company	IA	21407	42-6070764
Union Insurance Company of Providence	IA	21423	05-0230479
EMC Property & Casualty Company	IA	25186	63-03299091

5. Company Tracking Number	AR-CP-2008-06
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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
	Jo L. Byers P. O. Box 712 Des Moines, IA 50306-0712	Filings Analyst	800-247-2128 ext. 2707	515-345-2223	Jo.L.Byers@EMCIns.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Jo L. Byers

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

9. Type of Insurance (TOI)	Commercial Property
10. Sub-Type of Insurance (Sub-TOI)	Commercial Property
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Commercial Property
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 11/1/08 Renewal: 11/1/08

Property & Casualty Transmittal Document---

15.	Reference Filing?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)		
17.	Reference Organization # & Title		
18.	Company's Date of Filing	8/18/08	
19.	Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed	<input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	This filing transmittal is part of Company Tracking #	AR-CP-2008-06
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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The captioned companies are members of Insurance Services Office which files the Commercial Property program and revisions on our behalf. We are submitting a form revision to be applicable to policies written on or after November 1, 2008.

We are submitting a form revision in connection with our adoption of ISO's Multistate Forms Revision found in filing designation number CF-2007-OFR07. A memorandum outlining these revisions is attached.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p>Check #: N/A Amount: \$50.00</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>	

*****Refer to 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.)

1.	This filing transmittal is part of Company Tracking #		AR-CP-2008-06		
2.	This filing corresponds to rate/rule filing number <small>(Company tracking number of rate/rule filing, if applicable)</small>				
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	Broadened Property Coverage Extension	CP7159 (5-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP7159 (10-02)	
02	Equipment Protection Endorsement	CP7313 (5-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP7313 (1-04)	
03	Equipment Breakdown Endorsement	CP7314 (5-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP7314 (1-04)	
04	Property Extension Endorsement	CP7320 (5-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP7320 (6-07)	
05	Wholesalers' Industry Extension	CP7321 (5-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP7321 (6-05)	
06	Metal Goods Manufacturers' Industry Extension	CP7322 (5-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP7322 (6-05)	
07	Printers' Industry Extension	CP7323 (5-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP7323 (6-05)	
08	Financial Institutions Property Extension Endorsement	CP7327 (5-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP7327 (3-06)	
09	Quick Reference	CP7007.1 (5-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP7007.1 (10-00)	
10	Hospitals' Industry Extension	CP7334 (5-08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

COMMERCIAL PROPERTY ARKANSAS FORM MEMORANDUM

Revised Forms

CP7159(5-08) Broadened Property Coverage Extension replaces CP7159 (10-02)

- In the second introductory paragraph, we address situations where property covered by CP7159 is also covered under (1) another provision of the same policy to which CP7159 is attached or (2) another policy issued by us. In the event of covered loss or damage, a claim can be made under either (1) or (2), but not both.
- Current Coverage Extensions **A.5.g. (Money and Securities)**, **A.5.h. (Accounts Receivable)**, **A.5.j. (Arson Rewards)**, **A.5.k. (Water Damage)**, **A.5.l. (Fire Extinguishing system Re-charge)**, **A.5.m. (Fine Arts)**, **A.5.n. (Spoilage Coverage)**, **A.5.o. (Cost of Taking Inventory)**, are re-introduced as new paragraphs **I.I.1.**, **I.I.2.**, **I.I.4.**, **I.I.5.**, **I.I.6.**, **I.I.7.**, **I.I.8.**, **I.I.9.** respectively with no change in coverage.
- Current Coverage Extension **A.5.i. (Extra Expense)** is re-introduced as new paragraph **I.I.3.** and has been revised to include a limitation with respect to electronic data. The limitation precludes coverage for a suspension of operations caused by destruction or corruption of electronic data, or any loss or damage to electronic data. This newly introduced limitation tracks the limitation found in ISO's Extra Expense Coverage Form CP0050.
- Current Coverage Extension **A.5.p. (Utility Services – Direct Damage)** is re-introduced as new paragraph **I.I.10.** This Coverage Extension has been updated to reflect the content of ISO form CP0417(6-07). In doing so, we are introducing an exclusion for loss or damage to electronic data caused by an interruption in utility service. We are also removing the qualification that the utility service property be located off the described premises in recognition of the revision to the underlying exclusion. We are also clarifying that this Coverage Extension does not increase the applicable Limit of Insurance.
- Current Additional Coverage **A.4.c. (Fire Department Service Charge)** is re-introduced as paragraph **I.A.** with no change in coverage.
- Current Coverage Extension **A.5.a. (Newly Acquired or Constructed Property)** is re-introduced as paragraphs **I.B.**, **I.C.** and **I.D.** As re-introduced, coverage tracks with ISO's CP0010(6-07). Coverage Extension **I.C. (Newly Acquired or Constructed Property - Your Business Personal Property)** now excludes personal property temporarily in the insured's possession either in the course of installing or performing work on such property or in the course of manufacturing or wholesaling activities.
- Current Coverage Extension **A.5.b. (Personal Effects and Property of Others)** is re-introduced as paragraph **I.E.** We are clarifying that the Limit of Insurance for personal effects applies at each described premises. Otherwise, there is no change in coverage.
- Current Coverage Extensions **A.5.c. (Valuable Papers and Records (Other than Electronic Data))** and **A.5.d. (Property Off Premises)** are re-introduced as paragraphs **I.F.** and **I.G.** with no change in coverage.
- Current Coverage Extension **A.5.e. (Outdoor Property)** is re-introduced as paragraph **I.H.** reference to signs has been deleted to track changes made in ISO's CP0010(6-07). We are also introducing the exception for "stock" of trees, shrubs or plants found in ISO's CP0010. This was an unintentional omission in the prior form.
- Current paragraph **C. Limits Of Insurance** is re-introduced as paragraph **I.J.** Coverage for detached outdoor signs is now subject to all causes of loss otherwise covered under the applicable Causes Of Loss—Special Form. In addition, the Limit of Insurance for detached outdoor signs is increased from \$10,000 per occurrence to \$10,000 per sign per occurrence.
- Current Coverage Extension **A.6. (Newly Acquired Locations)** is re-introduced as paragraphs **III.A.** and **III.B.** In the revised form, this Coverage Extension applies to the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form and Extra Expense Coverage Form. Otherwise, there is no change in coverage.
- Current paragraph **E. (Additional Coverage Extensions)** is re-introduces as paragraph **II.A.** with no change in coverage.
- In the current form, the last paragraph, **Policy Changes**, is re-introduced as paragraph **IV.A.** We have updated all the coverage forms to which this paragraph applies; otherwise , there is no change in coverage.

CP7313 (5-08) Equipment Protection Endorsement replaces
CP7313 (1-04)

CP7314 (5-08) Equipment Breakdown Endorsement replaces
CP7314 (1-04)

- Our partner in the Equipment Breakdown coverages, HSB, has become aware that some of the municipality risks we write had electric generating equipment exposures that were beyond the scope of the underwriting/coverage intent of the CP7313. The forms were updated to clarify original intent in some areas, to address exposures that were not universally addressed until recently (e.g. mold), and to offer coverage that's competitive and comparable with what's otherwise available in today's marketplace. There is no change to the rating.

CP7320(5-08) Property Extension Endorsement replaces
CP7320(6-07)

- In paragraph **I.F.5. (Utility Services—Direct Damage)** we are deleting “if such property is located off the described premises” at the end of paragraph **a. Coverage**. This revision tracks with the change made to ISO form CP0417(6-07).
- In paragraph **I.F.7. (Business Income From Dependent Properties)** we are adding an additional paragraph to paragraph **d.** following sub-paragraph **(4)** to make an explicit statement that highways and other transportation conduits are not considered to be dependent property. This revision tracks with the change made to ISO form CP1509(6-07).
- In paragraph **I.F.12. (Employees’ Tools)** we are replacing “at a described premises” with “at each described premises” and we’re replacing “for the tools of any one employee” with “for any one employee”. These changes are made to track the **Coverage Extension for Employees’ Tools** found in ISO’s Auto Service Risks Endorsement MS AS 01 04 06.
- In paragraph **I.M. (Outdoor Property)** we are deleting “signs (other than signs attached to buildings),” to track with the change made to **Outdoor Property** under **Coverage Extensions** in CP0010(6-07).
- In paragraph **I.O.** we are adding, “whether or not the sign is”. This revision tracks with the change made to **C. Limits Of Insurance** in ISO form CP0010(6-07).
- In paragraph **I.P.** we are replacing the phrase “peak season variations” with “seasonal variations”. This change is made to reflect the terminology used in ISO’s BP0003(1-06).
- In paragraph **III.** We are adding “**Extra Expense Coverage Form**” to the time element coverage forms modified by CP7320. We are adding new paragraph **B.** to increase the time period to 120 days for coverage for **Newly Acquired Locations**.

CP7321(5-08) Wholesalers’ Industry Extension replaces
CP7321(6-05)

CP7322(5-08) Metal Goods Manufacturers’ Industry Extension replaces
CP7322(6-05)

CP7323(5-08) Printers’ Industry Extension replaces
CP7323(6-05)

- The second (introductory) paragraph of each of these three endorsements is revised to clarify original underwriting intent. When any of the property covered by these endorsements it is also covered under any other provisions of the policy to which they are attached, in the event of loss or damage the policyholder must elect to make a claim under either such other policy provision or the provisions of CP7321, CP7322, or CP7323. A claim cannot be made under both.

CP7327(5-08) Financial Institutions Property Extension Endorsement replaces
CP7327(3-06)

- In paragraph **I.B.1.b.** we are deleting “Signs (other than signs attached to buildings),”. This revision is made to track with ISO’s changes to **Property Not Covered** in CP0010(6-07).
- In paragraph **I.I.2. (Water Back-Up And Sump Overflow)** the limits are increased from \$10,000 each described premises/\$50,000 any one policy period to \$100,000 each described premises/\$500,000 any one policy period.
- In paragraph **I.I.5. (Utility Services—Direct Damage)** we are deleting “if such property is located off the described premises” at the end of paragraph **a. Coverage**. This revision tracks with the change made to ISO form CP0417(6-07).
- In paragraph **I.I.6.a.(3)** the **Additional Coverage – Civil Authority** is revised to track with the **Additional Coverage—Civil Authority** in ISO’s CP0050(6-07). As revised, this coverage applies if the insured premises are not more than one mile from the damaged property and the action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered

Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property. In addition, the civil authority coverage period is increased from three weeks to four weeks. The last two paragraphs of this Additional Coverage are newly added with respect to Civil Authority Coverage.

- In paragraph **I.I.7.c.** the **Additional Coverage—Civil Authority** is revised to track with the **Additional Coverage—Civil Authority** in ISO's CP0030(6-07). As revised, this coverage applies if the insured premises are not more than one mile from the damaged property and the action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property. In addition, the civil authority coverage period is increased from three weeks to four weeks. The last two paragraphs of this Additional Coverage are newly added with respect to Civil Authority Coverage.
- In paragraph **I.I.11. (Employees' Tools)** we are replacing "at a described premises" with "at each described premises" and we're replacing "for the tools of any one employee" with "for any one employee". These changes are made to track the **Coverage Extension for Employees' Tools** found in ISO's Auto Service Risks Endorsement MS AS 01 04 06.
- In paragraph **I.P. (Outdoor Property)** we are deleting "signs (other than signs attached to buildings)," to track with the change made to **Outdoor Property** under **Coverage Extensions** in CP0010(6-07).
- In paragraph **I.R.** we are replacing the phrase "the limit applicable to outdoor signs attached to buildings" with "the limit applicable to outdoor signs, whether or not the sign is attached to a building," in the first paragraph. In the second paragraph, we are replacing the phrase "outdoor signs attached to buildings" with "outdoor signs, whether or not the sign is attached to a building". This revision tracks with the change made to **C. Limits Of Insurance** in ISO form CP0010(6-07).
- In paragraph **I.S.** we are replacing the phrase "peak season variations" with "seasonal variations". This change is made to reflect the terminology used in ISO's BP0003(1-06).
- We are adding "**Extra Expense Coverage Form**" to the time element coverage forms modified by CP7320.
- In paragraph **III.** we are adding new paragraph **B.** Paragraph **B.** increases the time period to 120 days for coverage for **Newly Acquired Locations**.

CP7007.1 (5-08) Quick Reference replaces
CP7007.1 (10-00)

- Revised to be consistent with ISO's Coverage Form

New Form

CP7334 (5-08) Hospitals' Industry Extension

This endorsement is available for hospital program business and may be used only when Property Extension Endorsement CP7320 also attaches to the policy. There is no premium charge.

The endorsement modifies coverage provided under ISO's CP0010 –Building And Personal Property Coverage Form and CP1030 – Causes Of Loss – Special Form as follows:

1. The Building And Personal Property Coverage Form is amended to include **Radioactive Contamination** as an Additional Coverage. This Additional Coverage tracks with the language of ISO's Broad Radioactive Contamination Coverage provided under CP1037 except our coverage applies to direct damage only and includes a policy period aggregate limit.
2. The Causes of Loss—Special Form is amended as follows:
 - Under **Exclusions** the Nuclear Hazard has been restated to incorporate an exception that acknowledges the Additional Coverage—Radioactive Contamination
 - Under **Limitations** the special limit applicable to any one occurrence of theft is increased to \$5,000 for stamps, tickets, including lottery tickets held for sale, and letters of credit.