

SERFF Tracking Number: EMCC-125815044 State: Arkansas  
First Filing Company: EMC Property & Casualty Company, ... State Tracking Number: EFT \$50  
Company Tracking Number: AR-CP-2008-08  
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-125815044 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-2008-08 State Status: Fees verified and received  
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins  
Author: Jo Byers Disposition Date: 09/15/2008  
Date Submitted: 09/12/2008 Disposition Status: Approved  
Effective Date Requested (New): 01/01/2009 Effective Date (New): 01/01/2009  
Effective Date Requested (Renewal): 01/01/2009 Effective Date (Renewal): 01/01/2009

State Filing Description:

## General Information

Project Name: Status of Filing in Domicile: Pending  
Project Number: Domicile Status Comments:  
Reference Organization: ISO Reference Number: CL-2008-OWEFO  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 09/15/2008  
State Status Changed: 09/12/2008 Deemer Date:  
Corresponding Filing Tracking Number:  
Filing Description:  
September 12, 2008

Commissioner of Insurance  
Arkansas Insurance Department

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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

Adopt Multistate Revised Forms

Reference #: CL-2008-OWEFO

Company File # AR-CP-2008-08

Effective: January 1, 2009

As member companies of Insurance Services Office, the Commercial Property program is filed on our behalf. We are submitting a form revision to be applicable to policies written on or after January 1, 2009.

We are adopting ISO's multistate form revision found in reference number CL-2008-OWEFO. In connection with this adoption, we are revising two endorsements to track with ISO's revised BP0453 (08-08) Water Back-Up And Sump Overflow and new CP1032 (08-08) Water Exclusion Endorsement.

CP7320 (8-08) Property Extension Endorsement replaces CP7320 (5-08)

CP7327 (8-08) Financial Institutions' Property Extension Endorsement replaces CP7327 (5-08)

We supplement this filing with the following:

- \$50.00 filing fee (EFT)
- Property-Casualty Transmittal Document
- 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 January 1, 2009. Thank

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you.

Jo L. Byers, Filings Analyst  
 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	

*SERFF Tracking Number:*      *EMCC-125815044*                      *State:*                      *Arkansas*  
*First Filing Company:*      *EMC Property & Casualty Company, ...*      *State Tracking Number:*      *EFT \$50*  
*Company Tracking Number:*      *AR-CP-2008-08*  
*TOI:*                      *01.0 Property*                      *Sub-TOI:*                      *01.0001 Commercial Property (Fire and Allied*  
*Lines)*  
  
*Product Name:*                      *Commercial Property*  
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## Filing Fees

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	09/12/2008	
EMCASCO Insurance Company	\$0.00	09/12/2008	
Employers Mutual Casualty Company	\$50.00	09/12/2008	22466765
Union Insurance Company of Providence	\$0.00	09/12/2008	

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	09/15/2008	09/15/2008

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## Disposition

Disposition Date: 09/15/2008  
Effective Date (New): 01/01/2009  
Effective Date (Renewal): 01/01/2009  
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
Form	Property Extension Endorsement	Approved	Yes
Form	Financial Institutions' Property Extension Endorsement	Approved	Yes

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## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Property Extension Endorsement	CP7320	8-08	Endorsement/Amendment/Conditions	Replaced Form #: CP7320 (5-08) Previous Filing #:		CP7320_200808.pdf CP7320_200805_marked up.pdf
Approved	Financial Institutions' Property Extension Endorsement	CP7327	8-08	Endorsement/Amendment/Conditions	Replaced Form #: CP7327 (5-08) Previous Filing #:		CP7327_200808.pdf CP7327_200805_marked up.pdf

**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 or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
  - (2) Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge 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 (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

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; or

d. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **a.** or **c.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **a.** through **d.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **a.** through **d.**, results in fire, explosion or sprinkler leakage we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**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 or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
  - (2) Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge 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 (including tidal wave and tsunami), tides, tidal ~~waves~~ ~~water~~, overflow of any body of water, or ~~their~~ spray from any of these, all whether or not driven by wind ~~or not~~ (including storm surge);

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; or

d. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph a. or c., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs a. through d., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if Water any of the above, as described in 1. a. through 1.e. d. results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

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.**

## **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 or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or

(2) Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge 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 (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- 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; or

- d. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph a. or c., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs a. through d., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs a. through d., results in fire, explosion or sprinkler leakage we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**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 tenability 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. 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 or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or

(2) Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge 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 (including tidal wave and tsunami), tides, tidal waves water, overflow of any body of water, or their spray from any of these, all whether or not driven by wind or not (including storm surge);
  - 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; or
  - d. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph a. or c., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs a. through d., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

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

sprinkler leakage is a Covered Cause of Loss).

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.

*SERFF Tracking Number:*      *EMCC-125815044*                      *State:*                      *Arkansas*  
*First Filing Company:*      *EMC Property & Casualty Company, ...*      *State Tracking Number:*      *EFT \$50*  
*Company Tracking Number:*      *AR-CP-2008-08*  
*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-125815044 State: Arkansas  
First Filing Company: EMC Property & Casualty Company, ... State Tracking Number: EFT \$50  
Company Tracking Number: AR-CP-2008-08  
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 09/15/2008

**Comments:**  
**Attachment:**  
pctd.pdf

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <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					

<b>3. Group Name</b>	<b>Group NAIC #</b>
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	05-0230476
EMC Property & Casualty Company	IA	25186	63-0329091

<b>5. Company Tracking Number</b>	<b>AR-CP-2008-08</b>
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	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: 1/1/09      Renewal: 1/1/09

## Property & Casualty Transmittal Document---

<b>15.</b>	<b>Reference Filing?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>16.</b>	<b>Reference Organization (if applicable)</b>	ISO
<b>17.</b>	<b>Reference Organization # &amp; Title</b>	CL-2008-OWEFO
<b>18.</b>	<b>Company's Date of Filing</b>	9/12/08
<b>19.</b>	<b>Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	AR-CP-2008-08
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<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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As member companies of Insurance Services Office, the Commercial Property program is filed on our behalf. We are submitting a form revision to be applicable to policies written on or after January 1, 2009.

We are adopting ISO's multistate form revision found in reference number CL-2008-OWEFO. In connection with this adoption, we are revising two endorsements to track with ISO's revised BP0453 (08-08) Water Back-Up And Sump Overflow and new CP1032 (08-08) Water Exclusion Endorsement.

CP7320 (8-08) Property Extension Endorsement replaces CP7320 (5-08)

CP7327 (8-08) Financial Institutions' Property Extension Endorsement replaces CP7327 (5-08)

<b>22.</b>	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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**Check #:** N/A  
**Amount:** \$50.00

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

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

### FORM FILING SCHEDULE

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

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	AR-CP-2008-08			
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> <small>(Company tracking number of rate/rule filing, if applicable)</small>	n/a			
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Property Extension Endorsement	CP7320 (8-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP7320 (5-08)	
02	Financial Institutions' Property Extension Endorsement	CP7327 (8-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP7327 (5-08)	
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		