

Filing at a Glance

Company: Peerless Indemnity Insurance Company

Product Name: AR-CUSTOM PROTECTOR SERFF Tr Num: LBRM-125210273 State: Arkansas

INTRO-FORMS

TOI: 05.0 Commercial Multi-Peril - Liability & SERFF Status: Closed State Tr Num: AR-PC-07-025143
Non-Liability

Sub-TOI: 05.0003 Commercial Package

Co Tr Num: 2007-00514

State Status:

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi,
Llyweyia Rawlins

Author: Tammy Blake

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Date Submitted: 06-19-2007

Disposition Status: Approved

Effective Date Requested (New): 10-01-2007

Effective Date (New): 10-01-2007

Effective Date Requested (Renewal):

Effective Date (Renewal): 10-01-
2007

General Information

Project Name: AR-CUSTOM PROTECTOR INTRO-FORMS

Status of Filing in Domicile:

Project Number: 2007-00514

Domicile Status Comments:

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Reference Number: N/A

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Filing Status Changed: 07-02-2007

State Status Changed: 06-19-2007

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

For all policies effective on and after October 1, 2007 we wish to file to introduce our new product, CUSTOM PROTECTOR Program for Peerless Indemnity Insurance Company only.

The CUSTOM PROTECTOR is a package product that functions much like the Division 9, Commercial Package Policy as outlined in the enclosed Actuarial Memorandum.

Company and Contact

Filing Contact Information

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Filing Company Information

Peerless Indemnity Insurance Company

CoCode: 18333

State of Domicile: Illinois

62 Maple Ave.

Group Code: 111

Company Type: Property &

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Casualty

Keene, NH 03431
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Group Name:
FEIN Number: 13-2919779

State ID Number:

Filing Fees

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

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	07-02-2007	07-02-2007

Disposition

Disposition Date: 07-02-2007

Effective Date (New): 10-01-2007

Effective Date (Renewal): 10-01-2007

Status: Approved

Comment:

Rate data does NOT apply to filing.

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	COVER LETTER	Approved	Yes
Supporting Document	FORMS LIST	Approved	Yes
Supporting Document	ACTUARIAL MEMO	Approved	Yes
Form	WHOLESALEERS CUSTOM PROTECTOR ENDORSEMENT	Approved	Yes
Form	SERVICE PROVIDERS CUSTOM PROTECTOR ENDORSEMENT	Approved	Yes
Form	RETAILERS CUSTOM PROTECTOR ENDORSEMENT	Approved	Yes
Form	MANUFACTURERS CUSTOM PROTECTOR ENDORSEMENT	Approved	Yes
Form	OFFICE/LESSORS CUSTOM PROTECTOR ENDORSEMENT	Approved	Yes
Form	FOOD PROCESSORS CUSTOM PROTECTOR ENDORSEMENT	Approved	Yes
Form	CONTRACTORS CUSTOM PROTECTOR ENDORSEMENT	Approved	Yes
Form	GARAGE CUSTOM PROTECTOR ENDORSEMENT	Approved	Yes
Form	CUSTOM PROTECTOR ENDORSEMENT	Approved	Yes
Form	EACH LOCATION GENERAL AGGREGATE LIMIT	Approved	Yes
Form	PROPERTY DAMAGE-BORROWED EQUIPMENT	Approved	Yes
Form	PROPERTY DAMAGE-CUSTOMERS' GOODS	Approved	Yes
Form	ADDITIONAL INSURED-VENDORS	Approved	Yes
Form	CUSTOM PROTECTOR LIABILITY EXTENSION ENDORSEMENT	Approved	Yes
Form	CUSTOM PROTECTOR GARAGEKEEPERS COVERAEG	Approved	Yes
Form	CUSTOM PROTECTOR CONTRACTORS MISCELLANEOUS PROPERTY FLOATER COVERAGE FORM	Approved	Yes

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	WHOLESALE CUSTOM PROTECTOR ENDORSEMENT	21-87D	02-2007	Endorseme New nt/Amendm ent/Condi ons		0.00	21-87D 02 07.pdf
Approved	SERVICE PROVIDERS CUSTOM PROTECTOR ENDORSEMENT	21-88D	02-2007	Endorseme New nt/Amendm ent/Condi ons		0.00	21-88D 02 07.pdf
Approved	RETAILERS CUSTOM PROTECTOR ENDORSEMENT	21-89D	02-2007	Endorseme New nt/Amendm ent/Condi ons		0.00	21-89D 02 07.pdf
Approved	MANUFACTURE RS CUSTOM PROTECTOR ENDORSEMENT	21-91D	02-2007	Endorseme New nt/Amendm ent/Condi ons		0.00	21-91D 02 07.pdf
Approved	OFFICE/LESSO RS CUSTOM PROTECTOR ENDORSEMENT	21-92D	02-2007	Endorseme New nt/Amendm ent/Condi ons		0.00	21-92D 02 07.pdf
Approved	FOOD PROCESSORS CUSTOM PROTECTOR ENDORSEMENT	21-93D	02-2007	Endorseme New nt/Amendm ent/Condi ons		0.00	21-93D 02 07.pdf
Approved	CONTRACTORS CUSTOM PROTECTOR ENDORSEMENT	21-94D	02-2007	Endorseme New nt/Amendm ent/Condi ons		0.00	21-94D 02 07.pdf
Approved	GARAGE CUSTOM PROTECTOR ENDORSEMENT	21-98D	02-2007	Endorseme New nt/Amendm ent/Condi ons		0.00	21-98D 02 07.pdf
Approved	CUSTOM PROTECTOR ENDORSEMENT	21-100D	02-2007	Endorseme New nt/Amendm ent/Condi ons		0.00	21-100D 02 07.pdf
Approved	EACH LOCATION GENERAL	22-106	01-2007	Endorseme New nt/Amendm ent/Condi		0.00	22-106 0107.pdf

	AGGREGATE LIMIT			ons		
Approved	PROPERTY DAMAGE- BORROWED EQUIPMENT	22-107	01-2007	Endorseme New nt/Amendm ent/Condi ons	0.00	22-107 0107.pdf
Approved	PROPERTY DAMAGE- CUSTOMERS' GOODS	22-108	01-2007	Endorseme New nt/Amendm ent/Condi ons	0.00	22-108 0107.pdf
Approved	ADDITIONAL INSURED- VENDORS	22-109	01-2007	Endorseme New nt/Amendm ent/Condi ons	0.00	22-109 0107.pdf
Approved	CUSTOM PROTECTOR LIABILITY EXTENSION ENDORSEMENT	22-110	01-2007	Endorseme New nt/Amendm ent/Condi ons	0.00	22-110 0107.pdf
Approved	CUSTOM PROTECTOR GARAGEKEEPE RS COVERAEG	22-117	01-2007	Endorseme New nt/Amendm ent/Condi ons	0.00	22-117_01 07_.pdf
Approved	CUSTOM PROTECTOR CONTRACTORS MISCELLANEOU S PROPERTY FLOATER COVERAGE FORM	24-71	02-2007	Endorseme New nt/Amendm ent/Condi ons	0.00	24-71 02 07.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WHOLESALE CUSTOM PROTECTOR ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form or Causes of Loss Form unless specifically deleted, replaced, or modified herein. This endorsement is applicable only to those premises described in the Declarations.

Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.

If coverage is provided elsewhere in this policy for the same loss or damage as the coverage provided under this endorsement, the coverage under this endorsement will apply excess over that other coverage unless otherwise stated. We will not pay more than the actual amount of the covered loss or damage.

<u>Coverage Description</u>	<u>Limit of Insurance</u>
Broadened Premises	Included
Additional Covered Property	Included
Preservation of Property	90 days
Inventory and Appraisal	\$ 5,000
Employee Dishonesty	\$ 25,000
Money Orders and Counterfeit Money	\$ 25,000
Lost Key Coverage	\$ 2,500
Leasehold Interest	\$ 10,000
Contract Penalty Clause	\$ 5,000
Contingent Transit	\$ 5,000
Lost Lease Coverage – Lessors Interest	\$ 5,000
Tenant Move Back Coverage	\$ 5,000
Manufacturers Consequential Loss Assumption	\$ 25,000
Forgery or Alteration	\$ 25,000
Real Property of Others Required by Contract	\$ 25,000
Electronic Data	\$ 25,000
Foundations	Included
Debris Removal	\$ 25,000
Fire Department Service Charge	\$ 25,000
Pollutant Clean Up and Removal	\$ 25,000
Newly Acquired or Constructed Property	180 days
Buildings	\$ 500,000
Business Personal Property	\$ 250,000
Personal Effects and Property of Others	\$ 10,000
Valuable Papers and Records (Other Than Electronic Data)	
On Premises	\$100,000
Off Premises	\$ 5,000
Property Off-Premises (Including while in Transit)	\$100,000
Electronic Data in Transit	\$ 5,000
Outdoor Property	\$ 25,000
Accounts Receivable	
On Premises	\$100,000
Off Premises	\$ 5,000
Arson Reward (Not available in New York)	\$ 25,000
Back-up of Sewers or Drains	\$ 10,000

Extra Expense	\$ 10,000
<u>Coverage Description</u>	<u>Limit of Insurance</u>
Fine Arts	\$ 25,000
Fire Protective Devices	\$ 10,000
Loss of Refrigeration	\$ 25,000
Computer Equipment	\$ 25,000
Laptop/Portable Computers	\$ 5,000
Lock Replacement	\$ 2,500
Money and Securities	
Inside the Premises	\$ 25,000
Outside the Premises	\$ 25,000
Off-Premises Services Interruption	\$ 10,000
Consequential Loss	\$ 10,000
Business Income	\$ 10,000
Business Income – Utility Services Interruption	\$ 1,000
Business Income – Support Property	\$ 5,000
Employee Tools Coverage	\$ 5,000
Salespersons Samples	\$ 5,000
Loss to Pair or Set	Included
Business Personal Property Limit Seasonal Increase	25%
Appurtenant Structures	
Buildings	\$ 50,000
Business Personal Property	\$ 5,000
Signs (Attached)	\$ 25,000
Special Deductible Provision	Included
Waiver of Coinsurance on losses \$10,000 or less	Included
Brands and Labels	\$ 25,000
Ordinance or Law	25% of the Building Limit subject to \$100,000 maximum
Manufacturers Selling Price	Included
Dies, Patterns, Molds and Forms	Included in Business Personal Property Limit

A. The following changes apply to Section **A. COVERAGE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

1. Broadened Premises

The **within 100 feet of the described premises** description stated in Paragraph **A.1.a.(5)(b), Building**, Paragraph **A.1.b., Your Business Personal Property**, Paragraph **A.1.c.(2), Personal Property of Others** and Paragraph **A.5., Coverage Extensions** is deleted and replaced by **within 1000 feet of the described premises**.

2. Additional Covered Property

The following are added to item **a. Building** of Paragraph **1. Covered Property**:

- (6)** Bridges, roadways, walks, patios or other paved surfaces;
- (7)** Retaining walls (except retaining walls used to contain water) that are not part of a building.

Item 6 listed above is deleted from paragraph **2. Property Not Covered**.

Item I. of paragraph 2., Property Not Covered is deleted and replaced by the following:

- I. Retaining walls used to contain water.

3. Paragraph A.4. Additional Coverages is amended as follows:

b. Preservation of Property

The 30 day limitation in paragraph **A.4.b.(2)** is increased to 90 days.

4. The following are added to paragraph **A.4. Additional Coverages**:

g. Inventory and Appraisal

We will pay up to \$2,500 for inventory costs and \$2,500 for appraisal costs due to loss or damage as a result of a Covered Cause of Loss to covered property. We will only pay if the costs are incurred and are reasonable and necessary to establish the amount of the loss. Attorney or public adjuster fees are not covered costs under this section.

h. Employee Dishonesty

- 1) We will pay for direct loss of or damage to business personal property, including money and securities, resulting from dishonest acts committed by any of your employees acting alone, or in collusion with other persons (except you or your partner) with the manifest intent to:
 - a) Cause you to sustain loss or damage; and
 - b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - i) Any employee; or
 - ii) Any other person or organization.
- 2) We will not pay for loss or damage:
 - a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
 - b) The only proof of which as to its existence or amount is dependent upon:
 - i) An inventory computation; or
 - ii) A profit and loss computation.
- 3) The most we will pay for loss or damage in any one occurrence is \$25,000.
- 4) All loss or damage:
 - a) Caused by one or more persons; or
 - b) Involving a single act or series of related acts; is considered one occurrence.
- 5) If any loss is covered:
 - a) Partly by this insurance; and
 - b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest,

the most we will pay is the larger amount recoverable under this insurance or the prior insurance.
- 6) We will pay 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.

- 7) This Additional Coverage does not apply to the dishonest act of any employee that occurs after the discovery by:
 - a) You; or
 - b) Any of your partners, officers, directors or trustees not in collusion with the employeeof any dishonest act committed by that employee whether before or after becoming employed by you.
- 8) Will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- 9) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
 - (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- 10) The insurance under paragraph (9) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
 - (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.

Coverage provided under this Additional Coverage is subject to a Deductible equal to the Property Deductible shown in the Declarations.

"Employee" means:

- 1) Any natural person:
 - a. While in your service and for 30 days after termination of service; and
 - b. Whom you compensate directly by salary, wages or commissions; and
 - c. Whom you have the right to direct and control while performing services for you; or
- 2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

But "employee" does not mean any:

- 1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- 2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

i. Money Orders and Counterfeit Money

We will pay for your loss when you accept in good faith:

- 1) Any money order in exchange for goods or services if the money order is not paid when presented to the issuer; or

- 2) Counterfeit U.S. or Canadian paper money in the regular course of business.

The most we will pay under this additional coverage is \$25,000 in any one occurrence.

j. Lost Key Coverage

We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks, including the cost of their installation.

The most we will pay for loss or damage under this coverage is \$2,500 in any one occurrence.

k. Leasehold Interest

We will pay for loss of "tenants lease interest" you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss or damage at a premises described in the Declarations due to a Covered Cause of Loss.

"Tenants lease interest" means the difference between the rent you will pay under a new lease at the described premises; or elsewhere, and the rent you now pay.

The most we will pay for such loss is the least of:

- a) The total difference in rent based on the period of time remaining under your current lease; or
- b) The total difference in rent for one year; or
- c) \$10,000.

l. Contract Penalty Clause

We will pay the contract penalties you are required to pay to your customers as a result of any written clause in your contract for failure to timely deliver your product or service according to contract terms, provided the contract was executed prior to the loss or damage. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property. The most we will pay for penalties for all contracts in any one occurrence is \$5,000.

m. Contingent Transit

We cover the goods you sell to others which are shipped to them at their risk of loss, but only if you cannot collect on the bill of sale because:

- 1) The goods have been damaged by a Covered Cause of Loss applying to your business personal property; and
- 2) your customer has refused or is unable to pay.

If this occurs, we will adjust the loss as if this were your property. The most we will pay for loss or damage in any one occurrence is \$5,000.

Coverage provided under this Additional Coverage is subject to a deductible equal to the Property Deductible shown in the Declarations.

n. Lost Lease Coverage – Lessors Interest

If the Declarations show you have Business Income Coverage, the form is amended to include the following:

- 1) We will pay for loss you sustain due to the cancellation of lease contracts by your tenants when the reason for cancellation of the lease is direct physical loss or damage to the leased premises caused by or resulting from a Covered Cause of Loss during the policy period.
- 2) We will not pay for any loss caused by:
 - a) Your canceling the lease;
 - b) The suspension, lapse or cancellation of any license; or
 - c) Any other consequential loss.
- 3) The most we will pay under this coverage is:
 - a) The difference between the rent actually paid at the described premises and the anticipated rental value of the described premises that you lease for:
 - i) 12 months immediately following the period of restoration; or
 - ii) for the period beginning with the end of the period of restoration and ending with the normal expiration date of each canceled lease; or
 - iii) \$5,000 at any one location,whichever is less.

o. Tenant Move Back Coverage

We will pay expenses incurred by you for "Covered Move Back Costs" of tenants who temporarily vacate a portion of a covered building property at the premises described in the Declarations. The vacancy must have occurred while the portion of the covered building property rented by the tenant could not be occupied due to direct physical loss or damage to your Covered Property caused by or resulting from any Covered Cause of Loss during the policy period. The move back must take place within 60 days after the portion of the covered building property rented by the tenant has been repaired or rebuilt and is ready for occupancy.

We will pay for "Covered Move Back Costs" whether or not the tenant(s) move back before the expiration date of this policy.

"Covered Move Back Costs" under this endorsement means documented, reasonable and necessary:

- 1) Costs of packing, insuring and carting business personal property;
- 2) Costs of re-establishing electric utility services, less refunds from discontinued services;
- 3) Costs of assembling and setting up fixtures and equipment; and
- 4) Costs to unpack and re-shelve stock and supplies.
- 5) "Covered Move Back Costs" does not include:
 - a) Loss caused by the termination of a lease or other agreement; or
 - b) Security deposits or other payments, forfeitures or penalties made to the landlord or lessor of other premises.

The most we will pay for "Covered Move Back Costs" is \$5,000 resulting from any one occurrence.

p. Manufacturers Consequential Loss Assumption

We will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in the process of manufacture at the described premises.

The most we will pay in any one occurrence is \$25,000.

q. Forgery or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent. We will pay for loss 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.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, employees, managers, members, officers, directors or trustees whether acting alone or in collusion with others.
- (5) The most we will pay for all loss, including legal expenses, under this Additional Coverage is \$25,000.

"Money" means:

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

5. Real Property of Others Required by Contract

The following is added to item **b. Your Business Personal Property** of Paragraph 1. **Covered Property**:

- (8) Real Property coverage including but not limited to building, doors and windows you are responsible for due to contract or lease agreement.

The most we will pay for loss or damage to covered property is \$25,000.

6. Electronic Data

Item **f.(4) Electronic Data** of paragraph 4. **Additional Coverages** is deleted and replaced by the following:

(4) The most we will pay under this Additional Coverage – Electronic Data is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

7. Foundations

Item **g.** is deleted in its entirety from Paragraph **2.**, **Property Not Covered.**

8. Debris Removal

Paragraph A.4.a.(4) is deleted and replaced by the following:

- (4)** We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

9. Fire Department Service Charge

Item **c.** **Fire Department Service Charge** of Paragraph **4. Additional Coverages** is deleted and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

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

No deductible applies to this Additional Coverage.

10. Pollutant Clean Up and Removal

Item **d.** **Pollutant Clean Up and Removal** of Paragraph **4. Additional Coverages** is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

11. Newly Acquired or Constructed Property

Item a. **Newly Acquired or Constructed Property** of Paragraph 5. **Coverage Extensions** is deleted and replaced by the following:

(1) Buildings

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

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

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

(2) Your Business Personal Property

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

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

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

(b) This Extension does not apply to:

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

(3) Period of Coverage

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

- (a) This policy expires;
- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

12. Personal Effects and Property of Others

Item **b. Personal Effects and Property of Others** of Paragraph **5. Coverage Extensions** is amended as follows:

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

13. Valuable Papers and Records (Other Than Electronic Data)

Item **c. (4) Valuable Papers and Records (Other Than Electronic Data)** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$100,000 at each described premises or \$5,000 if it is not at the 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.

14. Property Off-Premises

Item **d. Property Off-Premises** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

- (1)** You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises if it is:
- (a)** Temporarily at a location you do not own, lease or operate;
 - (b)** In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c)** At any fair, trade show or exhibition

This Extension applies only if loss or damage is caused by a Covered Cause of Loss. This extension does **not** apply to property in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

- (2)** You may extend the insurance provided by this Coverage Form to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. Loss or damage must be caused by or result from one of the following causes of loss:
- (a)** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (b)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. Collision does not mean the vehicle's contact with the roadbed.
 - (c)** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible signs of forced entry.
- (3)** The most we will pay for loss or damage under this Extension is \$100,000.
- (4)** Coverage under this Extension is extended to cover electronic data in transit. Under this Extension, electronic data has the meaning described in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Property Not Covered – Electronic Data. The most we will pay for loss or damage to electronic data under this Extension is \$5,000 for all loss or damage sustained in any one

policy year, regardless of the number of occurrences of loss or damage or computer systems involved. This \$5,000 limit is part of and not in addition to the \$25,000 limit in paragraph **A.4.f. Electronic Data** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

15. Outdoor Property

Item **e. Outdoor Property** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, lighting, lighting standards, radio and television antennas, satellite dish, signs (other than signs attached to buildings), playground equipment, scoreboards, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

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

16. The following are added to Paragraph **5. Coverage Extensions**:

g. 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 the loss or damage; and
 - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;
- that result from a Covered Cause of Loss to your records of accounts receivable.

The most we will pay for loss at the described premises under this Extension is \$100,000. The most we will pay for loss away from the described premises under this Extension is \$5,000.

h. Arson Reward (Not available in New York)

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

i. Back-Up of Sewers or Drains

We cover direct physical loss or damage caused by water:

- (1) which backs up through sewers or drains; or
- (2) which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

This coverage does not apply if the loss or damage is caused by your negligence.

The most we will pay for loss or damage under this Coverage Extension is \$10,000.

j. Extra Expense

We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to the property at the premises described in the Declarations, including personal property in the open or in a vehicle, within 1,000 feet of the premises, caused by or resulting from any Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 1000 feet.

The following definitions are added as respects this Coverage Extension:

(1) 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:

(a) To avoid or minimize the suspension of business and to continue operations:

- 1. At the described premises; or
- 2. At replacement premises or at temporary locations, including:
 - A. Relocation expenses; or
 - B. Costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue operations.

(c) 1. To repair or replace any property; or

2. To research, replace or restore the lost information on damaged valuable papers and records; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension .

(2) Operations mean the type of your business activities occurring at the described premises.

(3) Period of Restoration means the period of time that:

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

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

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

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

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

The most we will pay for loss under this Extension is \$10,000.

k. Fine Arts

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

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

- (1) While fine arts are at any fair or on exhibition;
- (2) Any repairing, restoration or retouching process;
- (3) Insects, birds, rodents or other animals;
- (4) Wear and tear;
- (5) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
- (6) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

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

l. Fire Protective Devices

You may extend the insurance provided by this Coverage Form to apply to recharging or refilling of your fire protective devices that are permanently installed in buildings at the described premises when such devices have been discharged by accident or after being used in fighting a fire. This Extension does not apply to periodic recharge or refilling.

The most we will pay under this Extension is \$10,000 for each separate 12-month period of this policy.

m. Loss of Refrigeration

You may extend the insurance provided by this Coverage Form to apply to direct physical loss of or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment resulting from:

- (1) The fluctuation or total interruption of electrical power, either on or off the described premises, due to conditions beyond your control; or
- (2) Mechanical failure of any refrigeration or cooling apparatus or equipment (on premises).

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

n. Computer Equipment

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "computer equipment" owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "laptop/portable computers" owned by you and in your care, custody and control or in the care, custody or control of your employee.

(1) Property Not Covered

We will not cover the following kinds of property under this Extension:

- (a)** Property which you rent or lease to others;
- (b)** Software or other electronic data ;
- (c)** Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents.
- (d)** "Computer equipment" held for sale by you;
- (e)** "Computer equipment" of others on which you are performing repairs or work;
- (f)** "Computer equipment" or that is part of any:
 - (i)** Production or processing equipment (such as CAD, CAM or CNC machines);
 - (ii)** Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm systems); or
 - (iii)** Communication equipment (such as telephone systems).
- (g)** Property that is covered under another coverage form of this or any other policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

(2) Property In Transit

We will pay for your "computer equipment", or "laptop/portable computer" while in transit.

- (3)** Section **B. Exclusions, 1.b. Earth Movement** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (4)** Section **B. Exclusions, 1.e. Utility Services** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (5)** Section **B. Exclusions, 1.g. Water** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (6)** The artificially generated electrical current exclusion, Item **B.2.a.** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (7)** The mechanical breakdown exclusion, Item **B.2.d.(6)** of the CAUSES OF LOSS - SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted and replaced by the following:
 - (6)** Mechanical breakdown, failure or derangement, except:

- (a) This exclusion does not apply for the accidental loss or damage caused by a resulting fire or explosion.
- (b) This exclusion does not apply if any of the above is sudden and accidental and manifests itself by physical damage to "computer equipment" which requires repair or replacement.

(8) Loss Payment will be determined as follows:

"Computer equipment" or "laptop/portable computers"

We will pay the least of the following amounts:

- (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
- (ii) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

"Computer Equipment" means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

"Laptop/Portable Computers" means "computer equipment" and accessories that are designed to function with it that can easily be carried and is designed to be used at more than one location.

The most we will pay for loss or damage to "computer equipment" under this Extension is \$25,000.

The most we will pay under this Extension for loss or damage to "laptop/portable computers" while away from the described premises is \$5,000.

o. Lock Replacement

You may extend the insurance provided by this Coverage Form to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the described premises.

The most we will pay for loss under this Coverage Extension is \$2,500 in any one occurrence.

p. Money and Securities

(1) You may extend the insurance that applies to Business Personal Property to apply to 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, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of “money” deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) \$25,000 for Inside the Premises for “money” and “securities” while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) \$25,000 for Outside the Premises for “money” and “securities” while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all “money” and “securities” so we can verify the amount of any loss or damage.
- (6) “**Money**” means:
- (a) Currency, coins and bank notes in current use and having a face value; and
 - (b) Travelers checks, register checks and money orders held for sale to the public.
- (7) “**Securities**” means negotiable and non-negotiable instruments or contracts representing either “money” or other property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include “money”.

q. Off-Premises Services Interruption

You may extend the insurance provided by this Coverage Form to apply to 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 following property not on the described premises:

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

Pumping stations; and

Water mains.

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.

It does not include above ground communication 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.

It does not include above ground transmission or distribution lines.

The most we will pay under this Extension is \$10,000.

r. Consequential Loss

We will pay up to \$10,000 for the consequential loss of undamaged business personal property.

Consequential Loss, as applicable to this Coverage Extension is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage to another part or parts of the product caused by a Covered Cause of Loss.

s. Business Income

We will pay up to \$10,000 for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration. The suspension must be caused by direct physical loss or damage to your covered Building or Business Personal Property at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 100 feet.

The COINSURANCE Additional Condition does not apply as respects this Coverage Extension.

The following definitions are added as respects this Coverage Extension:

- (1) Business Income means the:
 - (a) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - (b) Continuing normal operating expenses incurred, including payroll.
- (2) Operations means the type of your business activities occurring at the described premises.
- (3) Period of Restoration means the period of time that:
 - (a) Begins 72 hours after the time of direct physical loss or damage for Business Income coverage caused by or resulting from a Covered Cause of Loss at the described premises; and
 - (b) Ends on the earlier of:
 1. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 2. The date when business is resumed at a new permanent location.

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

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

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

t. Business Income – Utility Services Interruption

We will pay up to \$1,000 in any one occurrence for the actual loss of Business Income at the described premises 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 following types of property located outside of a covered building described in the Declarations:

- (i) Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - i. Pumping stations; and
 - ii. Water mains.
- (ii) Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - i. Communication transmission lines, including optic fiber transmission lines;
 - ii. Coaxial cables; and
 - iii. Microwave radio relays except satellites.

It does not include above ground communication lines.

- (iii) Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - i. Utility generating plants;
 - ii. Switching stations;
 - iii. Substations;

- iv. Transformers; and
- v. Transmission lines.

It does not include above ground transmission or distribution lines.

u. Business Income – Support Property

If the Declarations show you have Business Income Coverage, the following Additional Coverage is added:

We will pay for the actual loss of business income you sustain due to direct physical loss or damage at the premises of an “income support property” not described in the Declarations, caused by or resulting from any Covered Cause of Loss. “Income support property” means property operated by others on whom you depend to:

- 1) deliver material or services to you, or to others for your account;
- 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.

The most we will pay for this coverage is \$5,000 in any one occurrence.

v. Employee Tools Coverage

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to tools owned by your employees while used in your business or when in your building.

However, we will not pay for a loss that is caused by or results from theft or attempted theft of employee tools unless such loss occurs:

- 1) At a building and there is visible evidence of forcible entry or exit on your building; or
- 2) From a locked vehicle and there is visible evidence of forcible entry.

The value of Employee Tools will be determined at actual cash value as of the time of loss or damage.

The most we will pay with respect to employee tools is \$5,000 in any one occurrence.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

w. Salespersons Samples

You may extend the insurance that applies to Your Business Personal Property to apply to Salespersons' Samples of your stock in trade, including their containers, while they are in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

The most we will pay for loss to Salespersons Samples in any one occurrence is \$5,000 for property in the custody of any one salesperson.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

x. Loss to Pair or Set

If there is a loss or damage by a Covered Cause of Loss to covered property which is a part of a pair or set, we will pay; at our option, for:

- 1) The cost to repair or replace any part to restore the pair or set to its value before the loss; or
- 2) The difference between the value of the pair or set before and after the loss; or
- 3) The full actual cash value for the pair or set at the time of loss, and you will give us the remainder of the pair or set.

y. Business Personal Property Limit Seasonal Increase

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 90% of your average monthly value during the lesser of:

- 1) The 12-month period immediately preceding the date the loss or damage occurs; or
- 2) The period of time you have been in business as of the date loss occurs.

z. Appurtenant Structures

You may extend the insurance that applies to Building to apply to your storage buildings, your garages and your other appurtenant structures, except outdoor fixtures, at the described premises. The most we will pay for Building loss or damage under this Extension is \$50,000.

You may extend the insurance that applies to Business Personal Property to apply to such property in your storage buildings, your garages and your other appurtenant structures at the described premises. The most we will pay for Business Personal Property loss or damage under this Extension is \$5,000.

- B.** The second paragraph of Section **C. LIMITS OF INSURANCE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by the following:

Signs (Attached)

The most we will pay for loss or damage to outdoor signs attached to buildings is \$25,000 per sign in any one occurrence.

- C.** The following is added to Section **D. DEDUCTIBLE**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

Special Deductible Provision

We will deduct from any loss or damage under the Coverage Extensions in any one occurrence the Deductible shown in the Declarations or \$500, whichever is less.

This deductible applies to all Coverage Extensions, except for:

- a. Newly Acquired or Constructed Property; and
- e. Outdoor Property

D. Coinsurance

Section **F. ADDITIONAL CONDITIONS**, Paragraph **1. Coinsurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM applies only when the total loss or damage to all Covered Property in any one occurrence is greater than \$10,000.

E. Brands and Labels

The following is added to Section **E. LOSS CONDITIONS**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM

8. Brands and Labels

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

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

The most we will pay under this coverage is \$25,000.

F. Ordinance or Law

1. If a Covered Cause of Loss occurs to covered Building property, we will pay:

- a. For the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at a described premises; and
 - (iii) Is in force at the time of loss.
- b. The cost to demolish and clear the site of undamaged parts of the property caused by the enforcement of building, zoning or land use ordinance or law.

The COINSURANCE Additional Condition does not apply to this demolition cost coverage.

- c. The increased cost to:
 - (i) Repair or reconstruct damaged portions of that Building property; and/or

- (ii) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

When the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The COINSURANCE Additional Condition does not apply to this increased cost of construction coverage.

- 2. We will not pay the increased costs of construction under this coverage:
 - a. Until the property is actually repaired or replaced, at the same or another premises; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- 3. We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- 4. The most we will pay under this coverage at each described premises is the lesser of:
 - a. 25% of the Limit of Insurance shown in the Declarations for Building Coverage; or
 - b. \$100,000.
- 5. We will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged, and
 - b. You failed to comply with.

- G. The following change is applicable to Section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM .

Manufacturers Selling Price

The following is added to Paragraph **7. Valuation** Loss Condition:

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

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

H. Dies, Patterns, Molds and Forms

Section **C. Limitations**, Paragraph **3.c.** of the CAUSES OF LOSS – SPECIAL FORM is deleted in its entirety.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE PROVIDERS CUSTOM PROTECTOR ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form or Causes of Loss Form unless specifically deleted, replaced, or modified herein. This endorsement is applicable only to those premises described in the Declarations.

Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.

If coverage is provided elsewhere in this policy for the same loss or damage as the coverage provided under this endorsement, the coverage under this endorsement will apply excess over that other coverage unless otherwise stated. We will not pay more than the actual amount of the covered loss or damage.

<u>Coverage Description</u>	<u>Limit of Insurance</u>
Broadened Premises	Included
Additional Covered Property	Included
Preservation of Property	90 days
Inventory and Appraisal	\$ 5,000
Employee Dishonesty	\$ 25,000
Money Orders and Counterfeit Money	\$ 25,000
Lost Key Coverage	\$ 2,500
Leasehold Interest	\$ 10,000
Contract Penalty Clause	\$ 5,000
Contingent Transit	\$ 5,000
Lost Lease Coverage – Lessors Interest	\$ 5,000
Tenant Move Back Coverage	\$ 5,000
Manufacturers Consequential Loss Assumption	\$ 25,000
Forgery or Alteration	\$ 25,000
Real Property of Others Required by Contract	\$ 25,000
Electronic Data	\$ 25,000
Foundations	Included
Debris Removal	\$ 25,000
Fire Department Service Charge	\$ 25,000
Pollutant Clean Up and Removal	\$ 25,000
Newly Acquired or Constructed Property	180 days
Buildings	\$ 500,000
Business Personal Property	\$ 250,000
Personal Effects and Property of Others	\$ 10,000
Valuable Papers and Records (Other Than Electronic Data)	
On Premises	\$100,000
Off Premises	\$ 5,000
Property Off-Premises (Including while in Transit)	\$100,000
Electronic Data in Transit	\$ 5,000
Outdoor Property	\$ 25,000
Accounts Receivable	
On Premises	\$100,000
Off Premises	\$ 5,000
Arson Reward (Not available in New York)	\$ 25,000
Back-up of Sewers or Drains	\$ 10,000

Extra Expense	\$ 10,000
<u>Coverage Description</u>	<u>Limit of Insurance</u>
Fine Arts	\$ 25,000
Fire Protective Devices	\$ 10,000
Loss of Refrigeration	\$ 25,000
Computer Equipment	\$ 25,000
Laptop/Portable Computers	\$ 5,000
Lock Replacement	\$ 2,500
Money and Securities	
Inside the Premises	\$ 25,000
Outside the Premises	\$ 25,000
Off-Premises Services Interruption	\$ 10,000
Consequential Loss	\$ 10,000
Business Income	\$ 10,000
Business Income – Utility Services Interruption	\$ 1,000
Business Income – Support Property	\$ 5,000
Employee Tools Coverage	\$ 5,000
Salespersons Samples	\$ 5,000
Loss to Pair or Set	Included
Business Personal Property Limit Seasonal Increase	25%
Appurtenant Structures	
Buildings	\$ 50,000
Business Personal Property	\$ 5,000
Signs (Attached)	\$ 25,000
Special Deductible Provision	Included
Waiver of Coinsurance on losses \$10,000 or less	Included
Brands and Labels	\$ 25,000
Ordinance or Law	25% of the Building Limit subject to \$100,000 maximum
Manufacturers Selling Price	Included
Dies, Patterns, Molds and Forms	Included in Business Personal Property Limit

A. The following changes apply to Section **A. COVERAGE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

1. Broadened Premises

The **within 100 feet of the described premises** description stated in Paragraph **A.1.a.(5)(b), Building**, Paragraph **A.1.b., Your Business Personal Property**, Paragraph **A.1.c.(2), Personal Property of Others** and Paragraph **A.5., Coverage Extensions** is deleted and replaced by **within 1000 feet of the described premises**.

2. Additional Covered Property

The following are added to item **a. Building** of Paragraph **1. Covered Property**:

- (6)** Bridges, roadways, walks, patios or other paved surfaces;
- (7)** Retaining walls (except retaining walls used to contain water) that are not part of a building.

Item 6 listed above is deleted from paragraph **2. Property Not Covered**.

Item I. of paragraph 2., Property Not Covered is deleted and replaced by the following:

- I. Retaining walls used to contain water.

3. Paragraph A.4. Additional Coverages is amended as follows:

b. Preservation of Property

The 30 day limitation in paragraph **A.4.b.(2)** is increased to 90 days.

4. The following are added to paragraph **A.4. Additional Coverages**:

g. Inventory and Appraisal

We will pay up to \$2,500 for inventory costs and \$2,500 for appraisal costs due to loss or damage as a result of a Covered Cause of Loss to covered property. We will only pay if the costs are incurred and are reasonable and necessary to establish the amount of the loss. Attorney or public adjuster fees are not covered costs under this section.

h. Employee Dishonesty

- 1) We will pay for direct loss of or damage to business personal property, including money and securities, resulting from dishonest acts committed by any of your employees acting alone, or in collusion with other persons (except you or your partner) with the manifest intent to:
 - a) Cause you to sustain loss or damage; and
 - b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - i) Any employee; or
 - ii) Any other person or organization.
- 2) We will not pay for loss or damage:
 - a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
 - b) The only proof of which as to its existence or amount is dependent upon:
 - i) An inventory computation; or
 - ii) A profit and loss computation.
- 3) The most we will pay for loss or damage in any one occurrence is \$25,000.
- 4) All loss or damage:
 - a) Caused by one or more persons; or
 - b) Involving a single act or series of related acts; is considered one occurrence.
- 5) If any loss is covered:
 - a) Partly by this insurance; and
 - b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest,

the most we will pay is the larger amount recoverable under this insurance or the prior insurance.
- 6) We will pay 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.

- 7) This Additional Coverage does not apply to the dishonest act of any employee that occurs after the discovery by:
 - a) You; or
 - b) Any of your partners, officers, directors or trustees not in collusion with the employeeof any dishonest act committed by that employee whether before or after becoming employed by you.
- 8) Will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- 9) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
 - (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- 10) The insurance under paragraph (9) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
 - (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.

Coverage provided under this Additional Coverage is subject to a Deductible equal to the Property Deductible shown in the Declarations.

"Employee" means:

- 1) Any natural person:
 - a. While in your service and for 30 days after termination of service; and
 - b. Whom you compensate directly by salary, wages or commissions; and
 - c. Whom you have the right to direct and control while performing services for you; or
- 2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

But "employee" does not mean any:

- 1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- 2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

i. Money Orders and Counterfeit Money

We will pay for your loss when you accept in good faith:

- 1) Any money order in exchange for goods or services if the money order is not paid when presented to the issuer; or

- 2) Counterfeit U.S. or Canadian paper money in the regular course of business.

The most we will pay under this additional coverage is \$25,000 in any one occurrence.

j. Lost Key Coverage

We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks, including the cost of their installation.

The most we will pay for loss or damage under this coverage is \$2,500 in any one occurrence.

k. Leasehold Interest

We will pay for loss of "tenants lease interest" you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss or damage at a premises described in the Declarations due to a Covered Cause of Loss.

"Tenants lease interest" means the difference between the rent you will pay under a new lease at the described premises; or elsewhere, and the rent you now pay.

The most we will pay for such loss is the least of:

- a) The total difference in rent based on the period of time remaining under your current lease; or
- b) The total difference in rent for one year; or
- c) \$10,000.

l. Contract Penalty Clause

We will pay the contract penalties you are required to pay to your customers as a result of any written clause in your contract for failure to timely deliver your product or service according to contract terms, provided the contract was executed prior to the loss or damage. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property. The most we will pay for penalties for all contracts in any one occurrence is \$5,000.

m. Contingent Transit

We cover the goods you sell to others which are shipped to them at their risk of loss, but only if you cannot collect on the bill of sale because:

- 1) The goods have been damaged by a Covered Cause of Loss applying to your business personal property; and
- 2) your customer has refused or is unable to pay.

If this occurs, we will adjust the loss as if this were your property. The most we will pay for loss or damage in any one occurrence is \$5,000.

Coverage provided under this Additional Coverage is subject to a deductible equal to the Property Deductible shown in the Declarations.

n. Lost Lease Coverage – Lessors Interest

If the Declarations show you have Business Income Coverage, the form is amended to include the following:

- 1) We will pay for loss you sustain due to the cancellation of lease contracts by your tenants when the reason for cancellation of the lease is direct physical loss or damage to the leased premises caused by or resulting from a Covered Cause of Loss during the policy period.
- 2) We will not pay for any loss caused by:
 - a) Your canceling the lease;
 - b) The suspension, lapse or cancellation of any license; or
 - c) Any other consequential loss.
- 3) The most we will pay under this coverage is:
 - a) The difference between the rent actually paid at the described premises and the anticipated rental value of the described premises that you lease for:
 - i) 12 months immediately following the period of restoration; or
 - ii) for the period beginning with the end of the period of restoration and ending with the normal expiration date of each canceled lease; or
 - iii) \$5,000 at any one location,whichever is less.

o. Tenant Move Back Coverage

We will pay expenses incurred by you for "Covered Move Back Costs" of tenants who temporarily vacate a portion of a covered building property at the premises described in the Declarations. The vacancy must have occurred while the portion of the covered building property rented by the tenant could not be occupied due to direct physical loss or damage to your Covered Property caused by or resulting from any Covered Cause of Loss during the policy period. The move back must take place within 60 days after the portion of the covered building property rented by the tenant has been repaired or rebuilt and is ready for occupancy.

We will pay for "Covered Move Back Costs" whether or not the tenant(s) move back before the expiration date of this policy.

"Covered Move Back Costs" under this endorsement means documented, reasonable and necessary:

- 1) Costs of packing, insuring and carting business personal property;
- 2) Costs of re-establishing electric utility services, less refunds from discontinued services;
- 3) Costs of assembling and setting up fixtures and equipment; and
- 4) Costs to unpack and re-shelve stock and supplies.
- 5) "Covered Move Back Costs" does not include:
 - a) Loss caused by the termination of a lease or other agreement; or
 - b) Security deposits or other payments, forfeitures or penalties made to the landlord or lessor of other premises.

The most we will pay for "Covered Move Back Costs" is \$5,000 resulting from any one occurrence.

p. Manufacturers Consequential Loss Assumption

We will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in the process of manufacture at the described premises.

The most we will pay in any one occurrence is \$25,000.

q. Forgery or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent. We will pay for loss 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.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, employees, managers, members, officers, directors or trustees whether acting alone or in collusion with others.
- (5) The most we will pay for all loss, including legal expenses, under this Additional Coverage is \$25,000.

"Money" means:

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

5. Real Property of Others Required by Contract

The following is added to item **b. Your Business Personal Property** of Paragraph 1. **Covered Property**:

- (8) Real Property coverage including but not limited to building, doors and windows you are responsible for due to contract or lease agreement.

The most we will pay for loss or damage to covered property is \$25,000.

6. Electronic Data

Item **f.(4) Electronic Data** of paragraph 4. **Additional Coverages** is deleted and replaced by the following:

(4) The most we will pay under this Additional Coverage – Electronic Data is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

7. Foundations

Item **g.** is deleted in its entirety from Paragraph **2.**, **Property Not Covered.**

8. Debris Removal

Paragraph A.4.a.(4) is deleted and replaced by the following:

- (4)** We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

9. Fire Department Service Charge

Item **c.** **Fire Department Service Charge** of Paragraph **4. Additional Coverages** is deleted and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

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

No deductible applies to this Additional Coverage.

10. Pollutant Clean Up and Removal

Item **d.** **Pollutant Clean Up and Removal** of Paragraph **4. Additional Coverages** is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

11. Newly Acquired or Constructed Property

Item a. **Newly Acquired or Constructed Property** of Paragraph 5. **Coverage Extensions** is deleted and replaced by the following:

(1) Buildings

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

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

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

(2) Your Business Personal Property

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

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

(b) This Extension does not apply to:

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

(3) Period of Coverage

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

- (a) This policy expires;
- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

12. Personal Effects and Property of Others

Item **b. Personal Effects and Property of Others** of Paragraph **5. Coverage Extensions** is amended as follows:

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

13. Valuable Papers and Records (Other Than Electronic Data)

Item **c. (4) Valuable Papers and Records (Other Than Electronic Data)** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$100,000 at each described premises or \$5,000 if it is not at the 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.

14. Property Off-Premises

Item **d. Property Off-Premises** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

- (1)** You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises if it is:
- (a)** Temporarily at a location you do not own, lease or operate;
 - (b)** In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c)** At any fair, trade show or exhibition

This Extension applies only if loss or damage is caused by a Covered Cause of Loss. This extension does **not** apply to property in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

- (2)** You may extend the insurance provided by this Coverage Form to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. Loss or damage must be caused by or result from one of the following causes of loss:
- (a)** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (b)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. Collision does not mean the vehicle's contact with the roadbed.
 - (c)** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible signs of forced entry.
- (3)** The most we will pay for loss or damage under this Extension is \$100,000.
- (4)** Coverage under this Extension is extended to cover electronic data in transit. Under this Extension, electronic data has the meaning described in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Property Not Covered – Electronic Data. The most we will pay for loss or damage to electronic data under this Extension is \$5,000 for all loss or damage sustained in any one

policy year, regardless of the number of occurrences of loss or damage or computer systems involved. This \$5,000 limit is part of and not in addition to the \$25,000 limit in paragraph **A.4.f. Electronic Data** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

15. Outdoor Property

Item **e. Outdoor Property** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, lighting, lighting standards, radio and television antennas, satellite dish, signs (other than signs attached to buildings), playground equipment, scoreboards, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

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

16. The following are added to Paragraph **5. Coverage Extensions**:

g. 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 the loss or damage; and
 - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;
- that result from a Covered Cause of Loss to your records of accounts receivable.

The most we will pay for loss at the described premises under this Extension is \$100,000. The most we will pay for loss away from the described premises under this Extension is \$5,000.

h. Arson Reward (Not available in New York)

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

i. Back-Up of Sewers or Drains

We cover direct physical loss or damage caused by water:

- (1) which backs up through sewers or drains; or
- (2) which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

This coverage does not apply if the loss or damage is caused by your negligence.

The most we will pay for loss or damage under this Coverage Extension is \$10,000.

j. Extra Expense

We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to the property at the premises described in the Declarations, including personal property in the open or in a vehicle, within 1,000 feet of the premises, caused by or resulting from any Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 1000 feet.

The following definitions are added as respects this Coverage Extension:

(1) 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:

(a) To avoid or minimize the suspension of business and to continue operations:

- 1. At the described premises; or
- 2. At replacement premises or at temporary locations, including:
 - A. Relocation expenses; or
 - B. Costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue operations.

- (c) 1. To repair or replace any property; or
2. To research, replace or restore the lost information on damaged valuable papers and records; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension .

(2) Operations mean the type of your business activities occurring at the described premises.

(3) Period of Restoration means the period of time that:

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

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

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

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

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

The most we will pay for loss under this Extension is \$10,000.

k. Fine Arts

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

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

- (1) While fine arts are at any fair or on exhibition;
- (2) Any repairing, restoration or retouching process;
- (3) Insects, birds, rodents or other animals;
- (4) Wear and tear;
- (5) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
- (6) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

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

l. Fire Protective Devices

You may extend the insurance provided by this Coverage Form to apply to recharging or refilling of your fire protective devices that are permanently installed in buildings at the described premises when such devices have been discharged by accident or after being used in fighting a fire. This Extension does not apply to periodic recharge or refilling.

The most we will pay under this Extension is \$10,000 for each separate 12-month period of this policy.

m. Loss of Refrigeration

You may extend the insurance provided by this Coverage Form to apply to direct physical loss of or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment resulting from:

- (1) The fluctuation or total interruption of electrical power, either on or off the described premises, due to conditions beyond your control; or
- (2) Mechanical failure of any refrigeration or cooling apparatus or equipment (on premises).

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

n. Computer Equipment

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "computer equipment" owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "laptop/portable computers" owned by you and in your care, custody and control or in the care, custody or control of your employee.

(1) Property Not Covered

We will not cover the following kinds of property under this Extension:

- (a)** Property which you rent or lease to others;
- (b)** Software or other electronic data ;
- (c)** Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents.
- (d)** "Computer equipment" held for sale by you;
- (e)** "Computer equipment" of others on which you are performing repairs or work;
- (f)** "Computer equipment" or that is part of any:
 - (i)** Production or processing equipment (such as CAD, CAM or CNC machines);
 - (ii)** Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm systems); or
 - (iii)** Communication equipment (such as telephone systems).
- (g)** Property that is covered under another coverage form of this or any other policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

(2) Property In Transit

We will pay for your "computer equipment", or "laptop/portable computer" while in transit.

- (3)** Section **B. Exclusions, 1.b. Earth Movement** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (4)** Section **B. Exclusions, 1.e. Utility Services** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (5)** Section **B. Exclusions, 1.g. Water** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (6)** The artificially generated electrical current exclusion, Item **B.2.a.** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (7)** The mechanical breakdown exclusion, Item **B.2.d.(6)** of the CAUSES OF LOSS - SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted and replaced by the following:
 - (6)** Mechanical breakdown, failure or derangement, except:

- (a) This exclusion does not apply for the accidental loss or damage caused by a resulting fire or explosion.
- (b) This exclusion does not apply if any of the above is sudden and accidental and manifests itself by physical damage to "computer equipment" which requires repair or replacement.

(8) Loss Payment will be determined as follows:

"Computer equipment" or "laptop/portable computers"

We will pay the least of the following amounts:

- (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
- (ii) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

"Computer Equipment" means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

"Laptop/Portable Computers" means "computer equipment" and accessories that are designed to function with it that can easily be carried and is designed to be used at more than one location.

The most we will pay for loss or damage to "computer equipment" under this Extension is \$25,000.

The most we will pay under this Extension for loss or damage to "laptop/portable computers" while away from the described premises is \$5,000.

o. Lock Replacement

You may extend the insurance provided by this Coverage Form to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the described premises.

The most we will pay for loss under this Coverage Extension is \$2,500 in any one occurrence.

p. Money and Securities

(1) You may extend the insurance that applies to Business Personal Property to apply to 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, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) \$25,000 for Inside the Premises for "money" and "securities" while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) \$25,000 for Outside the Premises for "money" and "securities" while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) "**Money**" means:
- (a) Currency, coins and bank notes in current use and having a face value; and
 - (b) Travelers checks, register checks and money orders held for sale to the public.
- (7) "**Securities**" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include "money".

q. Off-Premises Services Interruption

You may extend the insurance provided by this Coverage Form to apply to 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 following property not on the described premises:

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

Pumping stations; and

Water mains.

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.

It does not include above ground communication 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.

It does not include above ground transmission or distribution lines.

The most we will pay under this Extension is \$10,000.

r. Consequential Loss

We will pay up to \$10,000 for the consequential loss of undamaged business personal property.

Consequential Loss, as applicable to this Coverage Extension is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage to another part or parts of the product caused by a Covered Cause of Loss.

s. Business Income

We will pay up to \$10,000 for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration. The suspension must be caused by direct physical loss or damage to your covered Building or Business Personal Property at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 100 feet.

The COINSURANCE Additional Condition does not apply as respects this Coverage Extension.

The following definitions are added as respects this Coverage Extension:

- (1) Business Income means the:
 - (a) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - (b) Continuing normal operating expenses incurred, including payroll.
- (2) Operations means the type of your business activities occurring at the described premises.
- (3) Period of Restoration means the period of time that:
 - (a) Begins 72 hours after the time of direct physical loss or damage for Business Income coverage caused by or resulting from a Covered Cause of Loss at the described premises; and
 - (b) Ends on the earlier of:
 1. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 2. The date when business is resumed at a new permanent location.

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

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

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

t. Business Income – Utility Services Interruption

We will pay up to \$1,000 in any one occurrence for the actual loss of Business Income at the described premises 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 following types of property located outside of a covered building described in the Declarations:

- (i) Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - i. Pumping stations; and
 - ii. Water mains.
- (ii) Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - i. Communication transmission lines, including optic fiber transmission lines;
 - ii. Coaxial cables; and
 - iii. Microwave radio relays except satellites.

It does not include above ground communication lines.

- (iii) Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - i. Utility generating plants;
 - ii. Switching stations;
 - iii. Substations;

- iv. Transformers; and
- v. Transmission lines.

It does not include above ground transmission or distribution lines.

u. Business Income – Support Property

If the Declarations show you have Business Income Coverage, the following Additional Coverage is added:

We will pay for the actual loss of business income you sustain due to direct physical loss or damage at the premises of an “income support property” not described in the Declarations, caused by or resulting from any Covered Cause of Loss. “Income support property” means property operated by others on whom you depend to:

- 1) deliver material or services to you, or to others for your account;
- 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.

The most we will pay for this coverage is \$5,000 in any one occurrence.

v. Employee Tools Coverage

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to tools owned by your employees while used in your business or when in your building.

However, we will not pay for a loss that is caused by or results from theft or attempted theft of employee tools unless such loss occurs:

- 1) At a building and there is visible evidence of forcible entry or exit on your building; or
- 2) From a locked vehicle and there is visible evidence of forcible entry.

The value of Employee Tools will be determined at actual cash value as of the time of loss or damage.

The most we will pay with respect to employee tools is \$5,000 in any one occurrence.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

w. Salespersons Samples

You may extend the insurance that applies to Your Business Personal Property to apply to Salespersons' Samples of your stock in trade, including their containers, while they are in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

The most we will pay for loss to Salespersons Samples in any one occurrence is \$5,000 for property in the custody of any one salesperson.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

x. Loss to Pair or Set

If there is a loss or damage by a Covered Cause of Loss to covered property which is a part of a pair or set, we will pay; at our option, for:

- 1) The cost to repair or replace any part to restore the pair or set to its value before the loss; or
- 2) The difference between the value of the pair or set before and after the loss; or
- 3) The full actual cash value for the pair or set at the time of loss, and you will give us the remainder of the pair or set.

y. Business Personal Property Limit Seasonal Increase

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 90% of your average monthly value during the lesser of:

- 1) The 12-month period immediately preceding the date the loss or damage occurs; or
- 2) The period of time you have been in business as of the date loss occurs.

z. Appurtenant Structures

You may extend the insurance that applies to Building to apply to your storage buildings, your garages and your other appurtenant structures, except outdoor fixtures, at the described premises. The most we will pay for Building loss or damage under this Extension is \$50,000.

You may extend the insurance that applies to Business Personal Property to apply to such property in your storage buildings, your garages and your other appurtenant structures at the described premises. The most we will pay for Business Personal Property loss or damage under this Extension is \$5,000.

- B.** The second paragraph of Section **C. LIMITS OF INSURANCE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by the following:

Signs (Attached)

The most we will pay for loss or damage to outdoor signs attached to buildings is \$25,000 per sign in any one occurrence.

- C.** The following is added to Section **D. DEDUCTIBLE**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

Special Deductible Provision

We will deduct from any loss or damage under the Coverage Extensions in any one occurrence the Deductible shown in the Declarations or \$500, whichever is less.

This deductible applies to all Coverage Extensions, except for:

- a. Newly Acquired or Constructed Property; and
- e. Outdoor Property

D. Coinsurance

Section **F. ADDITIONAL CONDITIONS**, Paragraph **1. Coinsurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM applies only when the total loss or damage to all Covered Property in any one occurrence is greater than \$10,000.

E. Brands and Labels

The following is added to Section **E. LOSS CONDITIONS**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM

8. Brands and Labels

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

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

The most we will pay under this coverage is \$25,000.

F. Ordinance or Law

1. If a Covered Cause of Loss occurs to covered Building property, we will pay:

- a. For the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at a described premises; and
 - (iii) Is in force at the time of loss.
- b. The cost to demolish and clear the site of undamaged parts of the property caused by the enforcement of building, zoning or land use ordinance or law.

The COINSURANCE Additional Condition does not apply to this demolition cost coverage.

- c. The increased cost to:
 - (i) Repair or reconstruct damaged portions of that Building property; and/or

- (ii) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

When the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The COINSURANCE Additional Condition does not apply to this increased cost of construction coverage.

- 2. We will not pay the increased costs of construction under this coverage:
 - a. Until the property is actually repaired or replaced, at the same or another premises; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- 3. We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- 4. The most we will pay under this coverage at each described premises is the lesser of:
 - a. 25% of the Limit of Insurance shown in the Declarations for Building Coverage; or
 - b. \$100,000.
- 5. We will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged, and
 - b. You failed to comply with.

- G. The following change is applicable to Section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM .

Manufacturers Selling Price

The following is added to Paragraph **7. Valuation** Loss Condition:

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

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

H. Dies, Patterns, Molds and Forms

Section **C. Limitations**, Paragraph **3.c.** of the CAUSES OF LOSS – SPECIAL FORM is deleted in its entirety.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RETAILERS CUSTOM PROTECTOR ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form or Causes of Loss Form unless specifically deleted, replaced, or modified herein. This endorsement is applicable only to those premises described in the Declarations.

Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.

If coverage is provided elsewhere in this policy for the same loss or damage as the coverage provided under this endorsement, the coverage under this endorsement will apply excess over that other coverage unless otherwise stated. We will not pay more than the actual amount of the covered loss or damage.

<u>Coverage Description</u>	<u>Limit of Insurance</u>
Broadened Premises	Included
Additional Covered Property	Included
Preservation of Property	90 days
Inventory and Appraisal	\$ 5,000
Employee Dishonesty	\$ 25,000
Money Orders and Counterfeit Money	\$ 25,000
Lost Key Coverage	\$ 2,500
Leasehold Interest	\$ 10,000
Contract Penalty Clause	\$ 5,000
Contingent Transit	\$ 5,000
Lost Lease Coverage – Lessors Interest	\$ 5,000
Tenant Move Back Coverage	\$ 5,000
Manufacturers Consequential Loss Assumption	\$ 25,000
Forgery or Alteration	\$ 25,000
Real Property of Others Required by Contract	\$ 25,000
Electronic Data	\$ 25,000
Foundations	Included
Debris Removal	\$ 25,000
Fire Department Service Charge	\$ 25,000
Pollutant Clean Up and Removal	\$ 25,000
Newly Acquired or Constructed Property	180 days
Buildings	\$ 500,000
Business Personal Property	\$ 250,000
Personal Effects and Property of Others	\$ 10,000
Valuable Papers and Records (Other Than Electronic Data)	
On Premises	\$100,000
Off Premises	\$ 5,000
Property Off-Premises (Including while in Transit)	\$100,000
Electronic Data in Transit	\$ 5,000
Outdoor Property	\$ 25,000
Accounts Receivable	
On Premises	\$100,000
Off Premises	\$ 5,000
Arson Reward (Not available in New York)	\$ 25,000
Back-up of Sewers or Drains	\$ 10,000

Extra Expense	\$ 10,000
<u>Coverage Description</u>	<u>Limit of Insurance</u>
Fine Arts	\$ 25,000
Fire Protective Devices	\$ 10,000
Loss of Refrigeration	\$ 25,000
Computer Equipment	\$ 25,000
Laptop/Portable Computers	\$ 5,000
Lock Replacement	\$ 2,500
Money and Securities	
Inside the Premises	\$ 25,000
Outside the Premises	\$ 25,000
Off-Premises Services Interruption	\$ 10,000
Consequential Loss	\$ 10,000
Business Income	\$ 10,000
Business Income – Utility Services Interruption	\$ 1,000
Business Income – Support Property	\$ 5,000
Employee Tools Coverage	\$ 5,000
Salespersons Samples	\$ 5,000
Loss to Pair or Set	Included
Business Personal Property Limit Seasonal Increase	25%
Appurtenant Structures	
Buildings	\$ 50,000
Business Personal Property	\$ 5,000
Signs (Attached)	\$ 25,000
Special Deductible Provision	Included
Waiver of Coinsurance on losses \$10,000 or less	Included
Brands and Labels	\$ 25,000
Ordinance or Law	25% of the Building Limit subject to \$100,000 maximum
Manufacturers Selling Price	Included
Dies, Patterns, Molds and Forms	Included in Business Personal Property Limit

A. The following changes apply to Section **A. COVERAGE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

1. Broadened Premises

The **within 100 feet of the described premises** description stated in Paragraph **A.1.a.(5)(b), Building**, Paragraph **A.1.b., Your Business Personal Property**, Paragraph **A.1.c.(2), Personal Property of Others** and Paragraph **A.5., Coverage Extensions** is deleted and replaced by **within 1000 feet of the described premises**.

2. Additional Covered Property

The following are added to item **a. Building** of Paragraph **1. Covered Property**:

- (6)** Bridges, roadways, walks, patios or other paved surfaces;
- (7)** Retaining walls (except retaining walls used to contain water) that are not part of a building.

Item 6 listed above is deleted from paragraph **2. Property Not Covered**.

Item I. of paragraph 2., Property Not Covered is deleted and replaced by the following:

- I. Retaining walls used to contain water.

3. Paragraph A.4. Additional Coverages is amended as follows:

b. Preservation of Property

The 30 day limitation in paragraph **A.4.b.(2)** is increased to 90 days.

4. The following are added to paragraph **A.4. Additional Coverages**:

g. Inventory and Appraisal

We will pay up to \$2,500 for inventory costs and \$2,500 for appraisal costs due to loss or damage as a result of a Covered Cause of Loss to covered property. We will only pay if the costs are incurred and are reasonable and necessary to establish the amount of the loss. Attorney or public adjuster fees are not covered costs under this section.

h. Employee Dishonesty

- 1) We will pay for direct loss of or damage to business personal property, including money and securities, resulting from dishonest acts committed by any of your employees acting alone, or in collusion with other persons (except you or your partner) with the manifest intent to:
 - a) Cause you to sustain loss or damage; and
 - b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - i) Any employee; or
 - ii) Any other person or organization.
- 2) We will not pay for loss or damage:
 - a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
 - b) The only proof of which as to its existence or amount is dependent upon:
 - i) An inventory computation; or
 - ii) A profit and loss computation.
- 3) The most we will pay for loss or damage in any one occurrence is \$25,000.
- 4) All loss or damage:
 - a) Caused by one or more persons; or
 - b) Involving a single act or series of related acts; is considered one occurrence.
- 5) If any loss is covered:
 - a) Partly by this insurance; and
 - b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest,

the most we will pay is the larger amount recoverable under this insurance or the prior insurance.
- 6) We will pay 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.

- 7) This Additional Coverage does not apply to the dishonest act of any employee that occurs after the discovery by:
- a) You; or
 - b) Any of your partners, officers, directors or trustees not in collusion with the employee
- of any dishonest act committed by that employee whether before or after becoming employed by you.
- 8) Will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- 9) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
- (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- 10) The insurance under paragraph (9) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
- (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.

Coverage provided under this Additional Coverage is subject to a Deductible equal to the Property Deductible shown in the Declarations.

"Employee" means:

- 1) Any natural person:
 - a. While in your service and for 30 days after termination of service; and
 - b. Whom you compensate directly by salary, wages or commissions; and
 - c. Whom you have the right to direct and control while performing services for you; or
- 2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

But "employee" does not mean any:

- 1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- 2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

i. Money Orders and Counterfeit Money

We will pay for your loss when you accept in good faith:

- 1) Any money order in exchange for goods or services if the money order is not paid when presented to the issuer; or

- 2) Counterfeit U.S. or Canadian paper money in the regular course of business.

The most we will pay under this additional coverage is \$25,000 in any one occurrence.

j. Lost Key Coverage

We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks, including the cost of their installation.

The most we will pay for loss or damage under this coverage is \$2,500 in any one occurrence.

k. Leasehold Interest

We will pay for loss of "tenants lease interest" you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss or damage at a premises described in the Declarations due to a Covered Cause of Loss.

"Tenants lease interest" means the difference between the rent you will pay under a new lease at the described premises; or elsewhere, and the rent you now pay.

The most we will pay for such loss is the least of:

- a) The total difference in rent based on the period of time remaining under your current lease; or
- b) The total difference in rent for one year; or
- c) \$10,000.

l. Contract Penalty Clause

We will pay the contract penalties you are required to pay to your customers as a result of any written clause in your contract for failure to timely deliver your product or service according to contract terms, provided the contract was executed prior to the loss or damage. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property. The most we will pay for penalties for all contracts in any one occurrence is \$5,000.

m. Contingent Transit

We cover the goods you sell to others which are shipped to them at their risk of loss, but only if you cannot collect on the bill of sale because:

- 1) The goods have been damaged by a Covered Cause of Loss applying to your business personal property; and
- 2) your customer has refused or is unable to pay.

If this occurs, we will adjust the loss as if this were your property. The most we will pay for loss or damage in any one occurrence is \$5,000.

Coverage provided under this Additional Coverage is subject to a deductible equal to the Property Deductible shown in the Declarations.

n. Lost Lease Coverage – Lessors Interest

If the Declarations show you have Business Income Coverage, the form is amended to include the following:

- 1) We will pay for loss you sustain due to the cancellation of lease contracts by your tenants when the reason for cancellation of the lease is direct physical loss or damage to the leased premises caused by or resulting from a Covered Cause of Loss during the policy period.
- 2) We will not pay for any loss caused by:
 - a) Your canceling the lease;
 - b) The suspension, lapse or cancellation of any license; or
 - c) Any other consequential loss.
- 3) The most we will pay under this coverage is:
 - a) The difference between the rent actually paid at the described premises and the anticipated rental value of the described premises that you lease for:
 - i) 12 months immediately following the period of restoration; or
 - ii) for the period beginning with the end of the period of restoration and ending with the normal expiration date of each canceled lease; or
 - iii) \$5,000 at any one location,whichever is less.

o. Tenant Move Back Coverage

We will pay expenses incurred by you for "Covered Move Back Costs" of tenants who temporarily vacate a portion of a covered building property at the premises described in the Declarations. The vacancy must have occurred while the portion of the covered building property rented by the tenant could not be occupied due to direct physical loss or damage to your Covered Property caused by or resulting from any Covered Cause of Loss during the policy period. The move back must take place within 60 days after the portion of the covered building property rented by the tenant has been repaired or rebuilt and is ready for occupancy.

We will pay for "Covered Move Back Costs" whether or not the tenant(s) move back before the expiration date of this policy.

"Covered Move Back Costs" under this endorsement means documented, reasonable and necessary:

- 1) Costs of packing, insuring and carting business personal property;
- 2) Costs of re-establishing electric utility services, less refunds from discontinued services;
- 3) Costs of assembling and setting up fixtures and equipment; and
- 4) Costs to unpack and re-shelve stock and supplies.
- 5) "Covered Move Back Costs" does not include:
 - a) Loss caused by the termination of a lease or other agreement; or
 - b) Security deposits or other payments, forfeitures or penalties made to the landlord or lessor of other premises.

The most we will pay for "Covered Move Back Costs" is \$5,000 resulting from any one occurrence.

p. Manufacturers Consequential Loss Assumption

We will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in the process of manufacture at the described premises.

The most we will pay in any one occurrence is \$25,000.

q. Forgery or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent. We will pay for loss 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.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, employees, managers, members, officers, directors or trustees whether acting alone or in collusion with others.
- (5) The most we will pay for all loss, including legal expenses, under this Additional Coverage is \$25,000.

"Money" means:

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

5. Real Property of Others Required by Contract

The following is added to item **b. Your Business Personal Property** of Paragraph 1. **Covered Property**:

- (8) Real Property coverage including but not limited to building, doors and windows you are responsible for due to contract or lease agreement.

The most we will pay for loss or damage to covered property is \$25,000.

6. Electronic Data

Item **f.(4) Electronic Data** of paragraph 4. **Additional Coverages** is deleted and replaced by the following:

(4) The most we will pay under this Additional Coverage – Electronic Data is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

7. Foundations

Item **g.** is deleted in its entirety from Paragraph **2.**, **Property Not Covered.**

8. Debris Removal

Paragraph A.4.a.(4) is deleted and replaced by the following:

- (4)** We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

9. Fire Department Service Charge

Item **c.** **Fire Department Service Charge** of Paragraph **4. Additional Coverages** is deleted and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

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

No deductible applies to this Additional Coverage.

10. Pollutant Clean Up and Removal

Item **d.** **Pollutant Clean Up and Removal** of Paragraph **4. Additional Coverages** is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

11. Newly Acquired or Constructed Property

Item a. **Newly Acquired or Constructed Property** of Paragraph 5. **Coverage Extensions** is deleted and replaced by the following:

(1) Buildings

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

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

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

(2) Your Business Personal Property

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

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

(b) This Extension does not apply to:

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

(3) Period of Coverage

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

- (a) This policy expires;
- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

12. Personal Effects and Property of Others

Item **b. Personal Effects and Property of Others** of Paragraph **5. Coverage Extensions** is amended as follows:

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

13. Valuable Papers and Records (Other Than Electronic Data)

Item **c. (4) Valuable Papers and Records (Other Than Electronic Data)** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$100,000 at each described premises or \$5,000 if it is not at the 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.

14. Property Off-Premises

Item **d. Property Off-Premises** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

- (1)** You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises if it is:
- (a)** Temporarily at a location you do not own, lease or operate;
 - (b)** In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c)** At any fair, trade show or exhibition

This Extension applies only if loss or damage is caused by a Covered Cause of Loss. This extension does **not** apply to property in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

- (2)** You may extend the insurance provided by this Coverage Form to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. Loss or damage must be caused by or result from one of the following causes of loss:
- (a)** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (b)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. Collision does not mean the vehicle's contact with the roadbed.
 - (c)** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible signs of forced entry.
- (3)** The most we will pay for loss or damage under this Extension is \$100,000.
- (4)** Coverage under this Extension is extended to cover electronic data in transit. Under this Extension, electronic data has the meaning described in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Property Not Covered – Electronic Data. The most we will pay for loss or damage to electronic data under this Extension is \$5,000 for all loss or damage sustained in any one

policy year, regardless of the number of occurrences of loss or damage or computer systems involved. This \$5,000 limit is part of and not in addition to the \$25,000 limit in paragraph **A.4.f. Electronic Data** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

15. Outdoor Property

Item **e. Outdoor Property** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, lighting, lighting standards, radio and television antennas, satellite dish, signs (other than signs attached to buildings), playground equipment, scoreboards, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

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

16. The following are added to Paragraph **5. Coverage Extensions**:

g. 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 the loss or damage; and
 - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;
- that result from a Covered Cause of Loss to your records of accounts receivable.

The most we will pay for loss at the described premises under this Extension is \$100,000. The most we will pay for loss away from the described premises under this Extension is \$5,000.

h. Arson Reward (Not available in New York)

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

i. Back-Up of Sewers or Drains

We cover direct physical loss or damage caused by water:

- (1) which backs up through sewers or drains; or
- (2) which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

This coverage does not apply if the loss or damage is caused by your negligence.

The most we will pay for loss or damage under this Coverage Extension is \$10,000.

j. Extra Expense

We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to the property at the premises described in the Declarations, including personal property in the open or in a vehicle, within 1,000 feet of the premises, caused by or resulting from any Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 1000 feet.

The following definitions are added as respects this Coverage Extension:

(1) 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:

(a) To avoid or minimize the suspension of business and to continue operations:

- 1. At the described premises; or
- 2. At replacement premises or at temporary locations, including:
 - A. Relocation expenses; or
 - B. Costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue operations.

- (c) 1. To repair or replace any property; or
- 2. To research, replace or restore the lost information on damaged valuable papers and records; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension .

(2) Operations mean the type of your business activities occurring at the described premises.

(3) Period of Restoration means the period of time that:

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

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

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

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

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

The most we will pay for loss under this Extension is \$10,000.

k. Fine Arts

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

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

- (1) While fine arts are at any fair or on exhibition;
- (2) Any repairing, restoration or retouching process;
- (3) Insects, birds, rodents or other animals;
- (4) Wear and tear;
- (5) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
- (6) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

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

l. Fire Protective Devices

You may extend the insurance provided by this Coverage Form to apply to recharging or refilling of your fire protective devices that are permanently installed in buildings at the described premises when such devices have been discharged by accident or after being used in fighting a fire. This Extension does not apply to periodic recharge or refilling.

The most we will pay under this Extension is \$10,000 for each separate 12-month period of this policy.

m. Loss of Refrigeration

You may extend the insurance provided by this Coverage Form to apply to direct physical loss of or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment resulting from:

- (1) The fluctuation or total interruption of electrical power, either on or off the described premises, due to conditions beyond your control; or
- (2) Mechanical failure of any refrigeration or cooling apparatus or equipment (on premises).

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

n. Computer Equipment

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "computer equipment" owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "laptop/portable computers" owned by you and in your care, custody and control or in the care, custody or control of your employee.

(1) Property Not Covered

We will not cover the following kinds of property under this Extension:

- (a)** Property which you rent or lease to others;
- (b)** Software or other electronic data ;
- (c)** Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents.
- (d)** "Computer equipment" held for sale by you;
- (e)** "Computer equipment" of others on which you are performing repairs or work;
- (f)** "Computer equipment" or that is part of any:
 - (i)** Production or processing equipment (such as CAD, CAM or CNC machines);
 - (ii)** Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm systems); or
 - (iii)** Communication equipment (such as telephone systems).
- (g)** Property that is covered under another coverage form of this or any other policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

(2) Property In Transit

We will pay for your "computer equipment", or "laptop/portable computer" while in transit.

- (3)** Section **B. Exclusions, 1.b. Earth Movement** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (4)** Section **B. Exclusions, 1.e. Utility Services** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (5)** Section **B. Exclusions, 1.g. Water** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (6)** The artificially generated electrical current exclusion, Item **B.2.a.** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (7)** The mechanical breakdown exclusion, Item **B.2.d.(6)** of the CAUSES OF LOSS - SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted and replaced by the following:
 - (6)** Mechanical breakdown, failure or derangement, except:

- (a) This exclusion does not apply for the accidental loss or damage caused by a resulting fire or explosion.
- (b) This exclusion does not apply if any of the above is sudden and accidental and manifests itself by physical damage to "computer equipment" which requires repair or replacement.

(8) Loss Payment will be determined as follows:

"Computer equipment" or "laptop/portable computers"

We will pay the least of the following amounts:

- (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
- (ii) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

"Computer Equipment" means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

"Laptop/Portable Computers" means "computer equipment" and accessories that are designed to function with it that can easily be carried and is designed to be used at more than one location.

The most we will pay for loss or damage to "computer equipment" under this Extension is \$25,000.

The most we will pay under this Extension for loss or damage to "laptop/portable computers" while away from the described premises is \$5,000.

o. Lock Replacement

You may extend the insurance provided by this Coverage Form to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the described premises.

The most we will pay for loss under this Coverage Extension is \$2,500 in any one occurrence.

p. Money and Securities

(1) You may extend the insurance that applies to Business Personal Property to apply to 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, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) \$25,000 for Inside the Premises for "money" and "securities" while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) \$25,000 for Outside the Premises for "money" and "securities" while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) "**Money**" means:
- (a) Currency, coins and bank notes in current use and having a face value; and
 - (b) Travelers checks, register checks and money orders held for sale to the public.
- (7) "**Securities**" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include "money".

q. Off-Premises Services Interruption

You may extend the insurance provided by this Coverage Form to apply to 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 following property not on the described premises:

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

Pumping stations; and

Water mains.

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.

It does not include above ground communication 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.

It does not include above ground transmission or distribution lines.

The most we will pay under this Extension is \$10,000.

r. Consequential Loss

We will pay up to \$10,000 for the consequential loss of undamaged business personal property.

Consequential Loss, as applicable to this Coverage Extension is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage to another part or parts of the product caused by a Covered Cause of Loss.

s. Business Income

We will pay up to \$10,000 for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration. The suspension must be caused by direct physical loss or damage to your covered Building or Business Personal Property at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 100 feet.

The COINSURANCE Additional Condition does not apply as respects this Coverage Extension.

The following definitions are added as respects this Coverage Extension:

- (1) Business Income means the:
 - (a) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - (b) Continuing normal operating expenses incurred, including payroll.
- (2) Operations means the type of your business activities occurring at the described premises.
- (3) Period of Restoration means the period of time that:
 - (a) Begins 72 hours after the time of direct physical loss or damage for Business Income coverage caused by or resulting from a Covered Cause of Loss at the described premises; and
 - (b) Ends on the earlier of:
 1. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 2. The date when business is resumed at a new permanent location.

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

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

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

t. **Business Income – Utility Services Interruption**

We will pay up to \$1,000 in any one occurrence for the actual loss of Business Income at the described premises 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 following types of property located outside of a covered building described in the Declarations:

- (i) **Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - i. Pumping stations; and
 - ii. Water mains.
- (ii) **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - i. Communication transmission lines, including optic fiber transmission lines;
 - ii. Coaxial cables; and
 - iii. Microwave radio relays except satellites.

It does not include above ground communication lines.

- (iii) **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - i. Utility generating plants;
 - ii. Switching stations;
 - iii. Substations;

- iv. Transformers; and
- v. Transmission lines.

It does not include above ground transmission or distribution lines.

u. Business Income – Support Property

If the Declarations show you have Business Income Coverage, the following Additional Coverage is added:

We will pay for the actual loss of business income you sustain due to direct physical loss or damage at the premises of an “income support property” not described in the Declarations, caused by or resulting from any Covered Cause of Loss. “Income support property” means property operated by others on whom you depend to:

- 1) deliver material or services to you, or to others for your account;
- 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.

The most we will pay for this coverage is \$5,000 in any one occurrence.

v. Employee Tools Coverage

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to tools owned by your employees while used in your business or when in your building.

However, we will not pay for a loss that is caused by or results from theft or attempted theft of employee tools unless such loss occurs:

- 1) At a building and there is visible evidence of forcible entry or exit on your building; or
- 2) From a locked vehicle and there is visible evidence of forcible entry.

The value of Employee Tools will be determined at actual cash value as of the time of loss or damage.

The most we will pay with respect to employee tools is \$5,000 in any one occurrence.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

w. Salespersons Samples

You may extend the insurance that applies to Your Business Personal Property to apply to Salespersons' Samples of your stock in trade, including their containers, while they are in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

The most we will pay for loss to Salespersons Samples in any one occurrence is \$5,000 for property in the custody of any one salesperson.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

x. Loss to Pair or Set

If there is a loss or damage by a Covered Cause of Loss to covered property which is a part of a pair or set, we will pay; at our option, for:

- 1) The cost to repair or replace any part to restore the pair or set to its value before the loss; or
- 2) The difference between the value of the pair or set before and after the loss; or
- 3) The full actual cash value for the pair or set at the time of loss, and you will give us the remainder of the pair or set.

y. Business Personal Property Limit Seasonal Increase

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 90% of your average monthly value during the lesser of:

- 1) The 12-month period immediately preceding the date the loss or damage occurs; or
- 2) The period of time you have been in business as of the date loss occurs.

z. Appurtenant Structures

You may extend the insurance that applies to Building to apply to your storage buildings, your garages and your other appurtenant structures, except outdoor fixtures, at the described premises. The most we will pay for Building loss or damage under this Extension is \$50,000.

You may extend the insurance that applies to Business Personal Property to apply to such property in your storage buildings, your garages and your other appurtenant structures at the described premises. The most we will pay for Business Personal Property loss or damage under this Extension is \$5,000.

- B.** The second paragraph of Section **C. LIMITS OF INSURANCE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by the following:

Signs (Attached)

The most we will pay for loss or damage to outdoor signs attached to buildings is \$25,000 per sign in any one occurrence.

- C.** The following is added to Section **D. DEDUCTIBLE**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

Special Deductible Provision

We will deduct from any loss or damage under the Coverage Extensions in any one occurrence the Deductible shown in the Declarations or \$500, whichever is less.

This deductible applies to all Coverage Extensions, except for:

- a. Newly Acquired or Constructed Property; and
- e. Outdoor Property

D. Coinsurance

Section **F. ADDITIONAL CONDITIONS**, Paragraph **1. Coinsurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM applies only when the total loss or damage to all Covered Property in any one occurrence is greater than \$10,000.

E. Brands and Labels

The following is added to Section **E. LOSS CONDITIONS**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM

8. Brands and Labels

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

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

The most we will pay under this coverage is \$25,000.

F. Ordinance or Law

1. If a Covered Cause of Loss occurs to covered Building property, we will pay:

- a. For the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at a described premises; and
 - (iii) Is in force at the time of loss.
- b. The cost to demolish and clear the site of undamaged parts of the property caused by the enforcement of building, zoning or land use ordinance or law.

The COINSURANCE Additional Condition does not apply to this demolition cost coverage.

- c. The increased cost to:
 - (i) Repair or reconstruct damaged portions of that Building property; and/or

- (ii) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

When the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The COINSURANCE Additional Condition does not apply to this increased cost of construction coverage.

- 2. We will not pay the increased costs of construction under this coverage:
 - a. Until the property is actually repaired or replaced, at the same or another premises; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- 3. We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- 4. The most we will pay under this coverage at each described premises is the lesser of:
 - a. 25% of the Limit of Insurance shown in the Declarations for Building Coverage; or
 - b. \$100,000.
- 5. We will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged, and
 - b. You failed to comply with.

- G. The following change is applicable to Section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM .

Manufacturers Selling Price

The following is added to Paragraph **7. Valuation** Loss Condition:

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

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

H. Dies, Patterns, Molds and Forms

Section **C. Limitations**, Paragraph **3.c.** of the CAUSES OF LOSS – SPECIAL FORM is deleted in its entirety.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUFACTURERS CUSTOM PROTECTOR ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form or Causes of Loss Form unless specifically deleted, replaced, or modified herein. This endorsement is applicable only to those premises described in the Declarations.

Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.

If coverage is provided elsewhere in this policy for the same loss or damage as the coverage provided under this endorsement, the coverage under this endorsement will apply excess over that other coverage unless otherwise stated. We will not pay more than the actual amount of the covered loss or damage.

<u>Coverage Description</u>	<u>Limit of Insurance</u>
Broadened Premises	Included
Additional Covered Property	Included
Preservation of Property	90 days
Inventory and Appraisal	\$ 5,000
Employee Dishonesty	\$ 25,000
Money Orders and Counterfeit Money	\$ 25,000
Lost Key Coverage	\$ 2,500
Leasehold Interest	\$ 10,000
Contract Penalty Clause	\$ 5,000
Contingent Transit	\$ 5,000
Lost Lease Coverage – Lessors Interest	\$ 5,000
Tenant Move Back Coverage	\$ 5,000
Manufacturers Consequential Loss Assumption	\$ 25,000
Forgery or Alteration	\$ 25,000
Real Property of Others Required by Contract	\$ 25,000
Electronic Data	\$ 25,000
Foundations	Included
Debris Removal	\$ 25,000
Fire Department Service Charge	\$ 25,000
Pollutant Clean Up and Removal	\$ 25,000
Newly Acquired or Constructed Property	180 days
Buildings	\$ 500,000
Business Personal Property	\$ 250,000
Personal Effects and Property of Others	\$ 10,000
Valuable Papers and Records (Other Than Electronic Data)	
On Premises	\$100,000
Off Premises	\$ 5,000
Property Off-Premises (Including while in Transit)	\$100,000
Electronic Data in Transit	\$ 5,000
Outdoor Property	\$ 25,000
Accounts Receivable	
On Premises	\$100,000
Off Premises	\$ 5,000
Arson Reward (Not available in New York)	\$ 25,000
Back-up of Sewers or Drains	\$ 10,000

Extra Expense	\$ 10,000
<u>Coverage Description</u>	<u>Limit of Insurance</u>
Fine Arts	\$ 25,000
Fire Protective Devices	\$ 10,000
Loss of Refrigeration	\$ 25,000
Computer Equipment	\$ 25,000
Laptop/Portable Computers	\$ 5,000
Lock Replacement	\$ 2,500
Money and Securities	
Inside the Premises	\$ 25,000
Outside the Premises	\$ 25,000
Off-Premises Services Interruption	\$ 10,000
Consequential Loss	\$ 10,000
Business Income	\$ 10,000
Business Income – Utility Services Interruption	\$ 1,000
Business Income – Support Property	\$ 5,000
Employee Tools Coverage	\$ 5,000
Salespersons Samples	\$ 5,000
Loss to Pair or Set	Included
Business Personal Property Limit Seasonal Increase	25%
Appurtenant Structures	
Buildings	\$ 50,000
Business Personal Property	\$ 5,000
Signs (Attached)	\$ 25,000
Special Deductible Provision	Included
Waiver of Coinsurance on losses \$10,000 or less	Included
Brands and Labels	\$ 25,000
Ordinance or Law	25% of the Building Limit subject to \$100,000 maximum
Manufacturers Selling Price	Included
Dies, Patterns, Molds and Forms	Included in Business Personal Property Limit

A. The following changes apply to Section **A. COVERAGE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

1. Broadened Premises

The **within 100 feet of the described premises** description stated in Paragraph **A.1.a.(5)(b), Building**, Paragraph **A.1.b., Your Business Personal Property**, Paragraph **A.1.c.(2), Personal Property of Others** and Paragraph **A.5., Coverage Extensions** is deleted and replaced by **within 1000 feet of the described premises**.

2. Additional Covered Property

The following are added to item **a. Building** of Paragraph **1. Covered Property**:

- (6)** Bridges, roadways, walks, patios or other paved surfaces;
- (7)** Retaining walls (except retaining walls used to contain water) that are not part of a building.

Item 6 listed above is deleted from paragraph **2. Property Not Covered**.

Item I. of paragraph 2., Property Not Covered is deleted and replaced by the following:

- I. Retaining walls used to contain water.

3. Paragraph A.4. Additional Coverages is amended as follows:

b. Preservation of Property

The 30 day limitation in paragraph **A.4.b.(2)** is increased to 90 days.

4. The following are added to paragraph **A.4. Additional Coverages**:

g. Inventory and Appraisal

We will pay up to \$2,500 for inventory costs and \$2,500 for appraisal costs due to loss or damage as a result of a Covered Cause of Loss to covered property. We will only pay if the costs are incurred and are reasonable and necessary to establish the amount of the loss. Attorney or public adjuster fees are not covered costs under this section.

h. Employee Dishonesty

- 1) We will pay for direct loss of or damage to business personal property, including money and securities, resulting from dishonest acts committed by any of your employees acting alone, or in collusion with other persons (except you or your partner) with the manifest intent to:
 - a) Cause you to sustain loss or damage; and
 - b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - i) Any employee; or
 - ii) Any other person or organization.
- 2) We will not pay for loss or damage:
 - a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
 - b) The only proof of which as to its existence or amount is dependent upon:
 - i) An inventory computation; or
 - ii) A profit and loss computation.
- 3) The most we will pay for loss or damage in any one occurrence is \$25,000.
- 4) All loss or damage:
 - a) Caused by one or more persons; or
 - b) Involving a single act or series of related acts; is considered one occurrence.
- 5) If any loss is covered:
 - a) Partly by this insurance; and
 - b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest,

the most we will pay is the larger amount recoverable under this insurance or the prior insurance.
- 6) We will pay 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.

- 7) This Additional Coverage does not apply to the dishonest act of any employee that occurs after the discovery by:
- a) You; or
 - b) Any of your partners, officers, directors or trustees not in collusion with the employee
- of any dishonest act committed by that employee whether before or after becoming employed by you.
- 8) Will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- 9) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
- (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- 10) The insurance under paragraph (9) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
- (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.

Coverage provided under this Additional Coverage is subject to a Deductible equal to the Property Deductible shown in the Declarations.

"Employee" means:

- 1) Any natural person:
 - a. While in your service and for 30 days after termination of service; and
 - b. Whom you compensate directly by salary, wages or commissions; and
 - c. Whom you have the right to direct and control while performing services for you; or
- 2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

But "employee" does not mean any:

- 1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- 2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

i. Money Orders and Counterfeit Money

We will pay for your loss when you accept in good faith:

- 1) Any money order in exchange for goods or services if the money order is not paid when presented to the issuer; or

- 2) Counterfeit U.S. or Canadian paper money in the regular course of business.

The most we will pay under this additional coverage is \$25,000 in any one occurrence.

j. Lost Key Coverage

We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks, including the cost of their installation.

The most we will pay for loss or damage under this coverage is \$2,500 in any one occurrence.

k. Leasehold Interest

We will pay for loss of "tenants lease interest" you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss or damage at a premises described in the Declarations due to a Covered Cause of Loss.

"Tenants lease interest" means the difference between the rent you will pay under a new lease at the described premises; or elsewhere, and the rent you now pay.

The most we will pay for such loss is the least of:

- a) The total difference in rent based on the period of time remaining under your current lease; or
- b) The total difference in rent for one year; or
- c) \$10,000.

l. Contract Penalty Clause

We will pay the contract penalties you are required to pay to your customers as a result of any written clause in your contract for failure to timely deliver your product or service according to contract terms, provided the contract was executed prior to the loss or damage. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property. The most we will pay for penalties for all contracts in any one occurrence is \$5,000.

m. Contingent Transit

We cover the goods you sell to others which are shipped to them at their risk of loss, but only if you cannot collect on the bill of sale because:

- 1) The goods have been damaged by a Covered Cause of Loss applying to your business personal property; and
- 2) your customer has refused or is unable to pay.

If this occurs, we will adjust the loss as if this were your property. The most we will pay for loss or damage in any one occurrence is \$5,000.

Coverage provided under this Additional Coverage is subject to a deductible equal to the Property Deductible shown in the Declarations.

n. Lost Lease Coverage – Lessors Interest

If the Declarations show you have Business Income Coverage, the form is amended to include the following:

- 1) We will pay for loss you sustain due to the cancellation of lease contracts by your tenants when the reason for cancellation of the lease is direct physical loss or damage to the leased premises caused by or resulting from a Covered Cause of Loss during the policy period.
- 2) We will not pay for any loss caused by:
 - a) Your canceling the lease;
 - b) The suspension, lapse or cancellation of any license; or
 - c) Any other consequential loss.
- 3) The most we will pay under this coverage is:
 - a) The difference between the rent actually paid at the described premises and the anticipated rental value of the described premises that you lease for:
 - i) 12 months immediately following the period of restoration; or
 - ii) for the period beginning with the end of the period of restoration and ending with the normal expiration date of each canceled lease; or
 - iii) \$5,000 at any one location,whichever is less.

o. Tenant Move Back Coverage

We will pay expenses incurred by you for "Covered Move Back Costs" of tenants who temporarily vacate a portion of a covered building property at the premises described in the Declarations. The vacancy must have occurred while the portion of the covered building property rented by the tenant could not be occupied due to direct physical loss or damage to your Covered Property caused by or resulting from any Covered Cause of Loss during the policy period. The move back must take place within 60 days after the portion of the covered building property rented by the tenant has been repaired or rebuilt and is ready for occupancy.

We will pay for "Covered Move Back Costs" whether or not the tenant(s) move back before the expiration date of this policy.

"Covered Move Back Costs" under this endorsement means documented, reasonable and necessary:

- 1) Costs of packing, insuring and carting business personal property;
- 2) Costs of re-establishing electric utility services, less refunds from discontinued services;
- 3) Costs of assembling and setting up fixtures and equipment; and
- 4) Costs to unpack and re-shelve stock and supplies.
- 5) "Covered Move Back Costs" does not include:
 - a) Loss caused by the termination of a lease or other agreement; or
 - b) Security deposits or other payments, forfeitures or penalties made to the landlord or lessor of other premises.

The most we will pay for "Covered Move Back Costs" is \$5,000 resulting from any one occurrence.

p. Manufacturers Consequential Loss Assumption

We will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in the process of manufacture at the described premises.

The most we will pay in any one occurrence is \$25,000.

q. Forgery or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent. We will pay for loss 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.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, employees, managers, members, officers, directors or trustees whether acting alone or in collusion with others.
- (5) The most we will pay for all loss, including legal expenses, under this Additional Coverage is \$25,000.

"Money" means:

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

5. Real Property of Others Required by Contract

The following is added to item **b. Your Business Personal Property** of Paragraph 1. **Covered Property**:

- (8) Real Property coverage including but not limited to building, doors and windows you are responsible for due to contract or lease agreement.

The most we will pay for loss or damage to covered property is \$25,000.

6. Electronic Data

Item **f.(4) Electronic Data** of paragraph 4. **Additional Coverages** is deleted and replaced by the following:

(4) The most we will pay under this Additional Coverage – Electronic Data is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

7. Foundations

Item **g.** is deleted in its entirety from Paragraph **2.**, **Property Not Covered.**

8. Debris Removal

Paragraph A.4.a.(4) is deleted and replaced by the following:

- (4)** We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

9. Fire Department Service Charge

Item **c.** **Fire Department Service Charge** of Paragraph **4. Additional Coverages** is deleted and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

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

No deductible applies to this Additional Coverage.

10. Pollutant Clean Up and Removal

Item **d.** **Pollutant Clean Up and Removal** of Paragraph **4. Additional Coverages** is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

11. Newly Acquired or Constructed Property

Item a. **Newly Acquired or Constructed Property** of Paragraph 5. **Coverage Extensions** is deleted and replaced by the following:

(1) Buildings

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

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

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

(2) Your Business Personal Property

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

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

(b) This Extension does not apply to:

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

(3) Period of Coverage

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

- (a) This policy expires;
- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

12. Personal Effects and Property of Others

Item **b. Personal Effects and Property of Others** of Paragraph **5. Coverage Extensions** is amended as follows:

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

13. Valuable Papers and Records (Other Than Electronic Data)

Item **c. (4) Valuable Papers and Records (Other Than Electronic Data)** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$100,000 at each described premises or \$5,000 if it is not at the 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.

14. Property Off-Premises

Item **d. Property Off-Premises** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

- (1)** You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises if it is:
- (a)** Temporarily at a location you do not own, lease or operate;
 - (b)** In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c)** At any fair, trade show or exhibition

This Extension applies only if loss or damage is caused by a Covered Cause of Loss. This extension does **not** apply to property in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

- (2)** You may extend the insurance provided by this Coverage Form to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. Loss or damage must be caused by or result from one of the following causes of loss:
- (a)** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (b)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. Collision does not mean the vehicle's contact with the roadbed.
 - (c)** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible signs of forced entry.
- (3)** The most we will pay for loss or damage under this Extension is \$100,000.
- (4)** Coverage under this Extension is extended to cover electronic data in transit. Under this Extension, electronic data has the meaning described in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Property Not Covered – Electronic Data. The most we will pay for loss or damage to electronic data under this Extension is \$5,000 for all loss or damage sustained in any one

policy year, regardless of the number of occurrences of loss or damage or computer systems involved. This \$5,000 limit is part of and not in addition to the \$25,000 limit in paragraph **A.4.f. Electronic Data** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

15. Outdoor Property

Item **e. Outdoor Property** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, lighting, lighting standards, radio and television antennas, satellite dish, signs (other than signs attached to buildings), playground equipment, scoreboards, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

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

16. The following are added to Paragraph **5. Coverage Extensions**:

g. 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 the loss or damage; and
 - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;
- that result from a Covered Cause of Loss to your records of accounts receivable.

The most we will pay for loss at the described premises under this Extension is \$100,000. The most we will pay for loss away from the described premises under this Extension is \$5,000.

h. Arson Reward (Not available in New York)

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

i. Back-Up of Sewers or Drains

We cover direct physical loss or damage caused by water:

- (1) which backs up through sewers or drains; or
- (2) which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

This coverage does not apply if the loss or damage is caused by your negligence.

The most we will pay for loss or damage under this Coverage Extension is \$10,000.

j. Extra Expense

We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to the property at the premises described in the Declarations, including personal property in the open or in a vehicle, within 1,000 feet of the premises, caused by or resulting from any Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 1000 feet.

The following definitions are added as respects this Coverage Extension:

(1) 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:

(a) To avoid or minimize the suspension of business and to continue operations:

- 1. At the described premises; or
- 2. At replacement premises or at temporary locations, including:
 - A. Relocation expenses; or
 - B. Costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue operations.

(c) 1. To repair or replace any property; or

2. To research, replace or restore the lost information on damaged valuable papers and records; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension .

(2) Operations mean the type of your business activities occurring at the described premises.

(3) Period of Restoration means the period of time that:

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

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

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

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

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

The most we will pay for loss under this Extension is \$10,000.

k. Fine Arts

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

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

- (1) While fine arts are at any fair or on exhibition;
- (2) Any repairing, restoration or retouching process;
- (3) Insects, birds, rodents or other animals;
- (4) Wear and tear;
- (5) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
- (6) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

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

l. Fire Protective Devices

You may extend the insurance provided by this Coverage Form to apply to recharging or refilling of your fire protective devices that are permanently installed in buildings at the described premises when such devices have been discharged by accident or after being used in fighting a fire. This Extension does not apply to periodic recharge or refilling.

The most we will pay under this Extension is \$10,000 for each separate 12-month period of this policy.

m. Loss of Refrigeration

You may extend the insurance provided by this Coverage Form to apply to direct physical loss of or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment resulting from:

- (1) The fluctuation or total interruption of electrical power, either on or off the described premises, due to conditions beyond your control; or
- (2) Mechanical failure of any refrigeration or cooling apparatus or equipment (on premises).

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

n. Computer Equipment

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "computer equipment" owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "laptop/portable computers" owned by you and in your care, custody and control or in the care, custody or control of your employee.

(1) Property Not Covered

We will not cover the following kinds of property under this Extension:

- (a)** Property which you rent or lease to others;
- (b)** Software or other electronic data ;
- (c)** Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents.
- (d)** "Computer equipment" held for sale by you;
- (e)** "Computer equipment" of others on which you are performing repairs or work;
- (f)** "Computer equipment" or that is part of any:
 - (i)** Production or processing equipment (such as CAD, CAM or CNC machines);
 - (ii)** Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm systems); or
 - (iii)** Communication equipment (such as telephone systems).
- (g)** Property that is covered under another coverage form of this or any other policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

(2) Property In Transit

We will pay for your "computer equipment", or "laptop/portable computer" while in transit.

- (3)** Section **B. Exclusions, 1.b. Earth Movement** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (4)** Section **B. Exclusions, 1.e. Utility Services** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (5)** Section **B. Exclusions, 1.g. Water** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (6)** The artificially generated electrical current exclusion, Item **B.2.a.** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (7)** The mechanical breakdown exclusion, Item **B.2.d.(6)** of the CAUSES OF LOSS - SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted and replaced by the following:
 - (6)** Mechanical breakdown, failure or derangement, except:

- (a) This exclusion does not apply for the accidental loss or damage caused by a resulting fire or explosion.
- (b) This exclusion does not apply if any of the above is sudden and accidental and manifests itself by physical damage to “computer equipment” which requires repair or replacement.

(8) Loss Payment will be determined as follows:

“Computer equipment” or “laptop/portable computers”

We will pay the least of the following amounts:

- (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
- (ii) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

“Computer Equipment” means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

“Laptop/Portable Computers” means “computer equipment” and accessories that are designed to function with it that can easily be carried and is designed to be used at more than one location.

The most we will pay for loss or damage to “computer equipment” under this Extension is \$25,000.

The most we will pay under this Extension for loss or damage to “laptop/portable computers” while away from the described premises is \$5,000.

o. Lock Replacement

You may extend the insurance provided by this Coverage Form to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the described premises.

The most we will pay for loss under this Coverage Extension is \$2,500 in any one occurrence.

p. Money and Securities

(1) You may extend the insurance that applies to Business Personal Property to apply to 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, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) \$25,000 for Inside the Premises for "money" and "securities" while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) \$25,000 for Outside the Premises for "money" and "securities" while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) "**Money**" means:
- (a) Currency, coins and bank notes in current use and having a face value; and
 - (b) Travelers checks, register checks and money orders held for sale to the public.
- (7) "**Securities**" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include "money".

q. Off-Premises Services Interruption

You may extend the insurance provided by this Coverage Form to apply to 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 following property not on the described premises:

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

Pumping stations; and

Water mains.

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.

It does not include above ground communication 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.

It does not include above ground transmission or distribution lines.

The most we will pay under this Extension is \$10,000.

r. Consequential Loss

We will pay up to \$10,000 for the consequential loss of undamaged business personal property.

Consequential Loss, as applicable to this Coverage Extension is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage to another part or parts of the product caused by a Covered Cause of Loss.

s. Business Income

We will pay up to \$10,000 for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration. The suspension must be caused by direct physical loss or damage to your covered Building or Business Personal Property at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 100 feet.

The COINSURANCE Additional Condition does not apply as respects this Coverage Extension.

The following definitions are added as respects this Coverage Extension:

- (1) Business Income means the:
 - (a) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - (b) Continuing normal operating expenses incurred, including payroll.
- (2) Operations means the type of your business activities occurring at the described premises.
- (3) Period of Restoration means the period of time that:
 - (a) Begins 72 hours after the time of direct physical loss or damage for Business Income coverage caused by or resulting from a Covered Cause of Loss at the described premises; and
 - (b) Ends on the earlier of:
 1. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 2. The date when business is resumed at a new permanent location.

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

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

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

t. Business Income – Utility Services Interruption

We will pay up to \$1,000 in any one occurrence for the actual loss of Business Income at the described premises 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 following types of property located outside of a covered building described in the Declarations:

- (i) Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - i. Pumping stations; and
 - ii. Water mains.
- (ii) Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - i. Communication transmission lines, including optic fiber transmission lines;
 - ii. Coaxial cables; and
 - iii. Microwave radio relays except satellites.

It does not include above ground communication lines.

- (iii) Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - i. Utility generating plants;
 - ii. Switching stations;
 - iii. Substations;

- iv. Transformers; and
- v. Transmission lines.

It does not include above ground transmission or distribution lines.

u. Business Income – Support Property

If the Declarations show you have Business Income Coverage, the following Additional Coverage is added:

We will pay for the actual loss of business income you sustain due to direct physical loss or damage at the premises of an “income support property” not described in the Declarations, caused by or resulting from any Covered Cause of Loss. “Income support property” means property operated by others on whom you depend to:

- 1) deliver material or services to you, or to others for your account;
- 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.

The most we will pay for this coverage is \$5,000 in any one occurrence.

v. Employee Tools Coverage

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to tools owned by your employees while used in your business or when in your building.

However, we will not pay for a loss that is caused by or results from theft or attempted theft of employee tools unless such loss occurs:

- 1) At a building and there is visible evidence of forcible entry or exit on your building; or
- 2) From a locked vehicle and there is visible evidence of forcible entry.

The value of Employee Tools will be determined at actual cash value as of the time of loss or damage.

The most we will pay with respect to employee tools is \$5,000 in any one occurrence.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

w. Salespersons Samples

You may extend the insurance that applies to Your Business Personal Property to apply to Salespersons' Samples of your stock in trade, including their containers, while they are in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

The most we will pay for loss to Salespersons Samples in any one occurrence is \$5,000 for property in the custody of any one salesperson.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

x. Loss to Pair or Set

If there is a loss or damage by a Covered Cause of Loss to covered property which is a part of a pair or set, we will pay; at our option, for:

- 1) The cost to repair or replace any part to restore the pair or set to its value before the loss; or
- 2) The difference between the value of the pair or set before and after the loss; or
- 3) The full actual cash value for the pair or set at the time of loss, and you will give us the remainder of the pair or set.

y. Business Personal Property Limit Seasonal Increase

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 90% of your average monthly value during the lesser of:

- 1) The 12-month period immediately preceding the date the loss or damage occurs; or
- 2) The period of time you have been in business as of the date loss occurs.

z. Appurtenant Structures

You may extend the insurance that applies to Building to apply to your storage buildings, your garages and your other appurtenant structures, except outdoor fixtures, at the described premises. The most we will pay for Building loss or damage under this Extension is \$50,000.

You may extend the insurance that applies to Business Personal Property to apply to such property in your storage buildings, your garages and your other appurtenant structures at the described premises. The most we will pay for Business Personal Property loss or damage under this Extension is \$5,000.

- B.** The second paragraph of Section **C. LIMITS OF INSURANCE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by the following:

Signs (Attached)

The most we will pay for loss or damage to outdoor signs attached to buildings is \$25,000 per sign in any one occurrence.

- C.** The following is added to Section **D. DEDUCTIBLE**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

Special Deductible Provision

We will deduct from any loss or damage under the Coverage Extensions in any one occurrence the Deductible shown in the Declarations or \$500, whichever is less.

This deductible applies to all Coverage Extensions, except for:

- a. Newly Acquired or Constructed Property; and
- e. Outdoor Property

D. Coinsurance

Section **F. ADDITIONAL CONDITIONS**, Paragraph **1. Coinsurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM applies only when the total loss or damage to all Covered Property in any one occurrence is greater than \$10,000.

E. Brands and Labels

The following is added to Section **E. LOSS CONDITIONS**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM

8. Brands and Labels

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

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

The most we will pay under this coverage is \$25,000.

F. Ordinance or Law

1. If a Covered Cause of Loss occurs to covered Building property, we will pay:
 - a. For the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at a described premises; and
 - (iii) Is in force at the time of loss.
 - b. The cost to demolish and clear the site of undamaged parts of the property caused by the enforcement of building, zoning or land use ordinance or law.

The COINSURANCE Additional Condition does not apply to this demolition cost coverage.

- c. The increased cost to:
 - (i) Repair or reconstruct damaged portions of that Building property; and/or

- (ii) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

When the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The COINSURANCE Additional Condition does not apply to this increased cost of construction coverage.

- 2. We will not pay the increased costs of construction under this coverage:
 - a. Until the property is actually repaired or replaced, at the same or another premises; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- 3. We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- 4. The most we will pay under this coverage at each described premises is the lesser of:
 - a. 25% of the Limit of Insurance shown in the Declarations for Building Coverage; or
 - b. \$100,000.
- 5. We will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged, and
 - b. You failed to comply with.

- G. The following change is applicable to Section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM .

Manufacturers Selling Price

The following is added to Paragraph **7. Valuation** Loss Condition:

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

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

H. Dies, Patterns, Molds and Forms

Section **C. Limitations**, Paragraph **3.c.** of the CAUSES OF LOSS – SPECIAL FORM is deleted in its entirety.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OFFICE / LESSORS CUSTOM PROTECTOR ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form or Causes of Loss Form unless specifically deleted, replaced, or modified herein. This endorsement is applicable only to those premises described in the Declarations.

Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.

If coverage is provided elsewhere in this policy for the same loss or damage as the coverage provided under this endorsement, the coverage under this endorsement will apply excess over that other coverage unless otherwise stated. We will not pay more than the actual amount of the covered loss or damage.

<u>Coverage Description</u>	<u>Limit of Insurance</u>
Broadened Premises	Included
Additional Covered Property	Included
Preservation of Property	90 days
Inventory and Appraisal	\$ 5,000
Employee Dishonesty	\$ 25,000
Money Orders and Counterfeit Money	\$ 25,000
Lost Key Coverage	\$ 2,500
Leasehold Interest	\$ 10,000
Contract Penalty Clause	\$ 5,000
Contingent Transit	\$ 5,000
Lost Lease Coverage – Lessors Interest	\$ 5,000
Tenant Move Back Coverage	\$ 5,000
Manufacturers Consequential Loss Assumption	\$ 25,000
Forgery or Alteration	\$ 25,000
Real Property of Others Required by Contract	\$ 25,000
Electronic Data	\$ 25,000
Foundations	Included
Debris Removal	\$ 25,000
Fire Department Service Charge	\$ 25,000
Pollutant Clean Up and Removal	\$ 25,000
Newly Acquired or Constructed Property	180 days
Buildings	\$ 500,000
Business Personal Property	\$ 250,000
Personal Effects and Property of Others	\$ 10,000
Valuable Papers and Records (Other Than Electronic Data)	
On Premises	\$100,000
Off Premises	\$ 5,000
Property Off-Premises (Including while in Transit)	\$100,000
Electronic Data in Transit	\$ 5,000
Outdoor Property	\$ 25,000
Accounts Receivable	
On Premises	\$100,000
Off Premises	\$ 5,000
Arson Reward (Not available in New York)	\$ 25,000
Back-up of Sewers or Drains	\$ 10,000

Extra Expense	\$ 10,000
<u>Coverage Description</u>	<u>Limit of Insurance</u>
Fine Arts	\$ 25,000
Fire Protective Devices	\$ 10,000
Loss of Refrigeration	\$ 25,000
Computer Equipment	\$ 25,000
Laptop/Portable Computers	\$ 5,000
Lock Replacement	\$ 2,500
Money and Securities	
Inside the Premises	\$ 25,000
Outside the Premises	\$ 25,000
Off-Premises Services Interruption	\$ 10,000
Consequential Loss	\$ 10,000
Business Income	\$ 10,000
Business Income – Utility Services Interruption	\$ 1,000
Business Income – Support Property	\$ 5,000
Employee Tools Coverage	\$ 5,000
Salespersons Samples	\$ 5,000
Loss to Pair or Set	Included
Business Personal Property Limit Seasonal Increase	25%
Appurtenant Structures	
Buildings	\$ 50,000
Business Personal Property	\$ 5,000
Signs (Attached)	\$ 25,000
Special Deductible Provision	Included
Waiver of Coinsurance on losses \$10,000 or less	Included
Brands and Labels	\$ 25,000
Ordinance or Law	25% of the Building Limit subject to \$100,000 maximum
Manufacturers Selling Price	Included
Dies, Patterns, Molds and Forms	Included in Business Personal Property Limit

A. The following changes apply to Section **A. COVERAGE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

1. Broadened Premises

The **within 100 feet of the described premises** description stated in Paragraph **A.1.a.(5)(b), Building**, Paragraph **A.1.b., Your Business Personal Property**, Paragraph **A.1.c.(2), Personal Property of Others** and Paragraph **A.5., Coverage Extensions** is deleted and replaced by **within 1000 feet of the described premises**.

2. Additional Covered Property

The following are added to item **a. Building** of Paragraph **1. Covered Property**:

- (6)** Bridges, roadways, walks, patios or other paved surfaces;
- (7)** Retaining walls (except retaining walls used to contain water) that are not part of a building.

Item 6 listed above is deleted from paragraph **2. Property Not Covered**.

Item I. of paragraph 2., Property Not Covered is deleted and replaced by the following:

- I. Retaining walls used to contain water.

3. Paragraph A.4. Additional Coverages is amended as follows:

b. Preservation of Property

The 30 day limitation in paragraph **A.4.b.(2)** is increased to 90 days.

4. The following are added to paragraph **A.4. Additional Coverages**:

g. Inventory and Appraisal

We will pay up to \$2,500 for inventory costs and \$2,500 for appraisal costs due to loss or damage as a result of a Covered Cause of Loss to covered property. We will only pay if the costs are incurred and are reasonable and necessary to establish the amount of the loss. Attorney or public adjuster fees are not covered costs under this section.

h. Employee Dishonesty

- 1) We will pay for direct loss of or damage to business personal property, including money and securities, resulting from dishonest acts committed by any of your employees acting alone, or in collusion with other persons (except you or your partner) with the manifest intent to:
 - a) Cause you to sustain loss or damage; and
 - b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - i) Any employee; or
 - ii) Any other person or organization.
- 2) We will not pay for loss or damage:
 - a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
 - b) The only proof of which as to its existence or amount is dependent upon:
 - i) An inventory computation; or
 - ii) A profit and loss computation.
- 3) The most we will pay for loss or damage in any one occurrence is \$25,000.
- 4) All loss or damage:
 - a) Caused by one or more persons; or
 - b) Involving a single act or series of related acts; is considered one occurrence.
- 5) If any loss is covered:
 - a) Partly by this insurance; and
 - b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest,

the most we will pay is the larger amount recoverable under this insurance or the prior insurance.
- 6) We will pay 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.

- 7) This Additional Coverage does not apply to the dishonest act of any employee that occurs after the discovery by:
- a) You; or
 - b) Any of your partners, officers, directors or trustees not in collusion with the employee
- of any dishonest act committed by that employee whether before or after becoming employed by you.
- 8) Will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- 9) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
- (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- 10) The insurance under paragraph (9) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
- (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.

Coverage provided under this Additional Coverage is subject to a Deductible equal to the Property Deductible shown in the Declarations.

"Employee" means:

- 1) Any natural person:
 - a. While in your service and for 30 days after termination of service; and
 - b. Whom you compensate directly by salary, wages or commissions; and
 - c. Whom you have the right to direct and control while performing services for you; or
- 2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

But "employee" does not mean any:

- 1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- 2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

i. Money Orders and Counterfeit Money

We will pay for your loss when you accept in good faith:

- 1) Any money order in exchange for goods or services if the money order is not paid when presented to the issuer; or

- 2) Counterfeit U.S. or Canadian paper money in the regular course of business.

The most we will pay under this additional coverage is \$25,000 in any one occurrence.

j. Lost Key Coverage

We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks, including the cost of their installation.

The most we will pay for loss or damage under this coverage is \$2,500 in any one occurrence.

k. Leasehold Interest

We will pay for loss of "tenants lease interest" you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss or damage at a premises described in the Declarations due to a Covered Cause of Loss.

"Tenants lease interest" means the difference between the rent you will pay under a new lease at the described premises; or elsewhere, and the rent you now pay.

The most we will pay for such loss is the least of:

- a) The total difference in rent based on the period of time remaining under your current lease; or
- b) The total difference in rent for one year; or
- c) \$10,000.

l. Contract Penalty Clause

We will pay the contract penalties you are required to pay to your customers as a result of any written clause in your contract for failure to timely deliver your product or service according to contract terms, provided the contract was executed prior to the loss or damage. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property. The most we will pay for penalties for all contracts in any one occurrence is \$5,000.

m. Contingent Transit

We cover the goods you sell to others which are shipped to them at their risk of loss, but only if you cannot collect on the bill of sale because:

- 1) The goods have been damaged by a Covered Cause of Loss applying to your business personal property; and
- 2) your customer has refused or is unable to pay.

If this occurs, we will adjust the loss as if this were your property. The most we will pay for loss or damage in any one occurrence is \$5,000.

Coverage provided under this Additional Coverage is subject to a deductible equal to the Property Deductible shown in the Declarations.

n. Lost Lease Coverage – Lessors Interest

If the Declarations show you have Business Income Coverage, the form is amended to include the following:

- 1) We will pay for loss you sustain due to the cancellation of lease contracts by your tenants when the reason for cancellation of the lease is direct physical loss or damage to the leased premises caused by or resulting from a Covered Cause of Loss during the policy period.
- 2) We will not pay for any loss caused by:
 - a) Your canceling the lease;
 - b) The suspension, lapse or cancellation of any license; or
 - c) Any other consequential loss.
- 3) The most we will pay under this coverage is:
 - a) The difference between the rent actually paid at the described premises and the anticipated rental value of the described premises that you lease for:
 - i) 12 months immediately following the period of restoration; or
 - ii) for the period beginning with the end of the period of restoration and ending with the normal expiration date of each canceled lease; or
 - iii) \$5,000 at any one location,whichever is less.

o. Tenant Move Back Coverage

We will pay expenses incurred by you for "Covered Move Back Costs" of tenants who temporarily vacate a portion of a covered building property at the premises described in the Declarations. The vacancy must have occurred while the portion of the covered building property rented by the tenant could not be occupied due to direct physical loss or damage to your Covered Property caused by or resulting from any Covered Cause of Loss during the policy period. The move back must take place within 60 days after the portion of the covered building property rented by the tenant has been repaired or rebuilt and is ready for occupancy.

We will pay for "Covered Move Back Costs" whether or not the tenant(s) move back before the expiration date of this policy.

"Covered Move Back Costs" under this endorsement means documented, reasonable and necessary:

- 1) Costs of packing, insuring and carting business personal property;
- 2) Costs of re-establishing electric utility services, less refunds from discontinued services;
- 3) Costs of assembling and setting up fixtures and equipment; and
- 4) Costs to unpack and re-shelve stock and supplies.
- 5) "Covered Move Back Costs" does not include:
 - a) Loss caused by the termination of a lease or other agreement; or
 - b) Security deposits or other payments, forfeitures or penalties made to the landlord or lessor of other premises.

The most we will pay for "Covered Move Back Costs" is \$5,000 resulting from any one occurrence.

p. Manufacturers Consequential Loss Assumption

We will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in the process of manufacture at the described premises.

The most we will pay in any one occurrence is \$25,000.

q. Forgery or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent. We will pay for loss 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.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, employees, managers, members, officers, directors or trustees whether acting alone or in collusion with others.
- (5) The most we will pay for all loss, including legal expenses, under this Additional Coverage is \$25,000.

"Money" means:

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

5. Real Property of Others Required by Contract

The following is added to item **b. Your Business Personal Property** of Paragraph 1. **Covered Property**:

- (8) Real Property coverage including but not limited to building, doors and windows you are responsible for due to contract or lease agreement.

The most we will pay for loss or damage to covered property is \$25,000.

6. Electronic Data

Item **f.(4) Electronic Data** of paragraph 4. **Additional Coverages** is deleted and replaced by the following:

(4) The most we will pay under this Additional Coverage – Electronic Data is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

7. Foundations

Item **g.** is deleted in its entirety from Paragraph **2.**, **Property Not Covered.**

8. Debris Removal

Paragraph A.4.a.(4) is deleted and replaced by the following:

- (4)** We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

9. Fire Department Service Charge

Item **c.** **Fire Department Service Charge** of Paragraph **4. Additional Coverages** is deleted and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

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

No deductible applies to this Additional Coverage.

10. Pollutant Clean Up and Removal

Item **d.** **Pollutant Clean Up and Removal** of Paragraph **4. Additional Coverages** is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

11. Newly Acquired or Constructed Property

Item a. **Newly Acquired or Constructed Property** of Paragraph 5. **Coverage Extensions** is deleted and replaced by the following:

(1) Buildings

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

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

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

(2) Your Business Personal Property

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

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

(b) This Extension does not apply to:

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

(3) Period of Coverage

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

- (a) This policy expires;
- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

12. Personal Effects and Property of Others

Item **b. Personal Effects and Property of Others** of Paragraph **5. Coverage Extensions** is amended as follows:

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

13. Valuable Papers and Records (Other Than Electronic Data)

Item **c. (4) Valuable Papers and Records (Other Than Electronic Data)** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$100,000 at each described premises or \$5,000 if it is not at the 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.

14. Property Off-Premises

Item **d. Property Off-Premises** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

- (1)** You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises if it is:
- (a)** Temporarily at a location you do not own, lease or operate;
 - (b)** In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c)** At any fair, trade show or exhibition

This Extension applies only if loss or damage is caused by a Covered Cause of Loss. This extension does **not** apply to property in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

- (2)** You may extend the insurance provided by this Coverage Form to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. Loss or damage must be caused by or result from one of the following causes of loss:
- (a)** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (b)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. Collision does not mean the vehicle's contact with the roadbed.
 - (c)** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible signs of forced entry.
- (3)** The most we will pay for loss or damage under this Extension is \$100,000.
- (4)** Coverage under this Extension is extended to cover electronic data in transit. Under this Extension, electronic data has the meaning described in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Property Not Covered – Electronic Data. The most we will pay for loss or damage to electronic data under this Extension is \$5,000 for all loss or damage sustained in any one

policy year, regardless of the number of occurrences of loss or damage or computer systems involved. This \$5,000 limit is part of and not in addition to the \$25,000 limit in paragraph **A.4.f. Electronic Data** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

15. Outdoor Property

Item **e. Outdoor Property** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, lighting, lighting standards, radio and television antennas, satellite dish, signs (other than signs attached to buildings), playground equipment, scoreboards, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

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

16. The following are added to Paragraph **5. Coverage Extensions**:

g. 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 the loss or damage; and
 - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;
- that result from a Covered Cause of Loss to your records of accounts receivable.

The most we will pay for loss at the described premises under this Extension is \$100,000. The most we will pay for loss away from the described premises under this Extension is \$5,000.

h. Arson Reward (Not available in New York)

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

i. Back-Up of Sewers or Drains

We cover direct physical loss or damage caused by water:

- (1) which backs up through sewers or drains; or
- (2) which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

This coverage does not apply if the loss or damage is caused by your negligence.

The most we will pay for loss or damage under this Coverage Extension is \$10,000.

j. Extra Expense

We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to the property at the premises described in the Declarations, including personal property in the open or in a vehicle, within 1,000 feet of the premises, caused by or resulting from any Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 1000 feet.

The following definitions are added as respects this Coverage Extension:

(1) 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:

(a) To avoid or minimize the suspension of business and to continue operations:

- 1. At the described premises; or
- 2. At replacement premises or at temporary locations, including:
 - A. Relocation expenses; or
 - B. Costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue operations.

- (c) 1. To repair or replace any property; or
- 2. To research, replace or restore the lost information on damaged valuable papers and records; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension .

(2) Operations mean the type of your business activities occurring at the described premises.

(3) Period of Restoration means the period of time that:

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

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

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

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

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

The most we will pay for loss under this Extension is \$10,000.

k. Fine Arts

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

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

- (1) While fine arts are at any fair or on exhibition;
- (2) Any repairing, restoration or retouching process;
- (3) Insects, birds, rodents or other animals;
- (4) Wear and tear;
- (5) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
- (6) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

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

l. Fire Protective Devices

You may extend the insurance provided by this Coverage Form to apply to recharging or refilling of your fire protective devices that are permanently installed in buildings at the described premises when such devices have been discharged by accident or after being used in fighting a fire. This Extension does not apply to periodic recharge or refilling.

The most we will pay under this Extension is \$10,000 for each separate 12-month period of this policy.

m. Loss of Refrigeration

You may extend the insurance provided by this Coverage Form to apply to direct physical loss of or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment resulting from:

- (1) The fluctuation or total interruption of electrical power, either on or off the described premises, due to conditions beyond your control; or
- (2) Mechanical failure of any refrigeration or cooling apparatus or equipment (on premises).

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

n. Computer Equipment

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "computer equipment" owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "laptop/portable computers" owned by you and in your care, custody and control or in the care, custody or control of your employee.

(1) Property Not Covered

We will not cover the following kinds of property under this Extension:

- (a)** Property which you rent or lease to others;
- (b)** Software or other electronic data ;
- (c)** Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents.
- (d)** "Computer equipment" held for sale by you;
- (e)** "Computer equipment" of others on which you are performing repairs or work;
- (f)** "Computer equipment" or that is part of any:
 - (i)** Production or processing equipment (such as CAD, CAM or CNC machines);
 - (ii)** Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm systems); or
 - (iii)** Communication equipment (such as telephone systems).
- (g)** Property that is covered under another coverage form of this or any other policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

(2) Property In Transit

We will pay for your "computer equipment", or "laptop/portable computer" while in transit.

- (3)** Section **B. Exclusions, 1.b. Earth Movement** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (4)** Section **B. Exclusions, 1.e. Utility Services** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (5)** Section **B. Exclusions, 1.g. Water** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (6)** The artificially generated electrical current exclusion, Item **B.2.a.** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (7)** The mechanical breakdown exclusion, Item **B.2.d.(6)** of the CAUSES OF LOSS - SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted and replaced by the following:
 - (6)** Mechanical breakdown, failure or derangement, except:

- (a) This exclusion does not apply for the accidental loss or damage caused by a resulting fire or explosion.
- (b) This exclusion does not apply if any of the above is sudden and accidental and manifests itself by physical damage to "computer equipment" which requires repair or replacement.

(8) Loss Payment will be determined as follows:

"Computer equipment" or "laptop/portable computers"

We will pay the least of the following amounts:

- (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
- (ii) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

"Computer Equipment" means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

"Laptop/Portable Computers" means "computer equipment" and accessories that are designed to function with it that can easily be carried and is designed to be used at more than one location.

The most we will pay for loss or damage to "computer equipment" under this Extension is \$25,000.

The most we will pay under this Extension for loss or damage to "laptop/portable computers" while away from the described premises is \$5,000.

o. Lock Replacement

You may extend the insurance provided by this Coverage Form to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the described premises.

The most we will pay for loss under this Coverage Extension is \$2,500 in any one occurrence.

p. Money and Securities

(1) You may extend the insurance that applies to Business Personal Property to apply to 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, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) \$25,000 for Inside the Premises for "money" and "securities" while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) \$25,000 for Outside the Premises for "money" and "securities" while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) "**Money**" means:
- (a) Currency, coins and bank notes in current use and having a face value; and
 - (b) Travelers checks, register checks and money orders held for sale to the public.
- (7) "**Securities**" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include "money".

q. Off-Premises Services Interruption

You may extend the insurance provided by this Coverage Form to apply to 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 following property not on the described premises:

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

Pumping stations; and

Water mains.

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.

It does not include above ground communication 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.

It does not include above ground transmission or distribution lines.

The most we will pay under this Extension is \$10,000.

r. Consequential Loss

We will pay up to \$10,000 for the consequential loss of undamaged business personal property.

Consequential Loss, as applicable to this Coverage Extension is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage to another part or parts of the product caused by a Covered Cause of Loss.

s. Business Income

We will pay up to \$10,000 for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration. The suspension must be caused by direct physical loss or damage to your covered Building or Business Personal Property at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 100 feet.

The COINSURANCE Additional Condition does not apply as respects this Coverage Extension.

The following definitions are added as respects this Coverage Extension:

- (1) Business Income means the:
 - (a) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - (b) Continuing normal operating expenses incurred, including payroll.
- (2) Operations means the type of your business activities occurring at the described premises.
- (3) Period of Restoration means the period of time that:
 - (a) Begins 72 hours after the time of direct physical loss or damage for Business Income coverage caused by or resulting from a Covered Cause of Loss at the described premises; and
 - (b) Ends on the earlier of:
 1. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 2. The date when business is resumed at a new permanent location.

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

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

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

t. **Business Income – Utility Services Interruption**

We will pay up to \$1,000 in any one occurrence for the actual loss of Business Income at the described premises 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 following types of property located outside of a covered building described in the Declarations:

- (i) **Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - i. Pumping stations; and
 - ii. Water mains.
- (ii) **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - i. Communication transmission lines, including optic fiber transmission lines;
 - ii. Coaxial cables; and
 - iii. Microwave radio relays except satellites.

It does not include above ground communication lines.

- (iii) **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - i. Utility generating plants;
 - ii. Switching stations;
 - iii. Substations;

- iv. Transformers; and
- v. Transmission lines.

It does not include above ground transmission or distribution lines.

u. Business Income – Support Property

If the Declarations show you have Business Income Coverage, the following Additional Coverage is added:

We will pay for the actual loss of business income you sustain due to direct physical loss or damage at the premises of an “income support property” not described in the Declarations, caused by or resulting from any Covered Cause of Loss. “Income support property” means property operated by others on whom you depend to:

- 1) deliver material or services to you, or to others for your account;
- 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.

The most we will pay for this coverage is \$5,000 in any one occurrence.

v. Employee Tools Coverage

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to tools owned by your employees while used in your business or when in your building.

However, we will not pay for a loss that is caused by or results from theft or attempted theft of employee tools unless such loss occurs:

- 1) At a building and there is visible evidence of forcible entry or exit on your building; or
- 2) From a locked vehicle and there is visible evidence of forcible entry.

The value of Employee Tools will be determined at actual cash value as of the time of loss or damage.

The most we will pay with respect to employee tools is \$5,000 in any one occurrence.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

w. Salespersons Samples

You may extend the insurance that applies to Your Business Personal Property to apply to Salespersons' Samples of your stock in trade, including their containers, while they are in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

The most we will pay for loss to Salespersons Samples in any one occurrence is \$5,000 for property in the custody of any one salesperson.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

x. Loss to Pair or Set

If there is a loss or damage by a Covered Cause of Loss to covered property which is a part of a pair or set, we will pay; at our option, for:

- 1) The cost to repair or replace any part to restore the pair or set to its value before the loss; or
- 2) The difference between the value of the pair or set before and after the loss; or
- 3) The full actual cash value for the pair or set at the time of loss, and you will give us the remainder of the pair or set.

y. Business Personal Property Limit Seasonal Increase

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 90% of your average monthly value during the lesser of:

- 1) The 12-month period immediately preceding the date the loss or damage occurs; or
- 2) The period of time you have been in business as of the date loss occurs.

z. Appurtenant Structures

You may extend the insurance that applies to Building to apply to your storage buildings, your garages and your other appurtenant structures, except outdoor fixtures, at the described premises. The most we will pay for Building loss or damage under this Extension is \$50,000.

You may extend the insurance that applies to Business Personal Property to apply to such property in your storage buildings, your garages and your other appurtenant structures at the described premises. The most we will pay for Business Personal Property loss or damage under this Extension is \$5,000.

- B.** The second paragraph of Section **C. LIMITS OF INSURANCE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by the following:

Signs (Attached)

The most we will pay for loss or damage to outdoor signs attached to buildings is \$25,000 per sign in any one occurrence.

- C.** The following is added to Section **D. DEDUCTIBLE**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

Special Deductible Provision

We will deduct from any loss or damage under the Coverage Extensions in any one occurrence the Deductible shown in the Declarations or \$500, whichever is less.

This deductible applies to all Coverage Extensions, except for:

- a. Newly Acquired or Constructed Property; and
- e. Outdoor Property

D. Coinsurance

Section **F. ADDITIONAL CONDITIONS**, Paragraph **1. Coinsurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM applies only when the total loss or damage to all Covered Property in any one occurrence is greater than \$10,000.

E. Brands and Labels

The following is added to Section **E. LOSS CONDITIONS**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM

8. Brands and Labels

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

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

The most we will pay under this coverage is \$25,000.

F. Ordinance or Law

1. If a Covered Cause of Loss occurs to covered Building property, we will pay:

- a. For the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at a described premises; and
 - (iii) Is in force at the time of loss.
- b. The cost to demolish and clear the site of undamaged parts of the property caused by the enforcement of building, zoning or land use ordinance or law.

The COINSURANCE Additional Condition does not apply to this demolition cost coverage.

- c. The increased cost to:
 - (i) Repair or reconstruct damaged portions of that Building property; and/or

- (ii) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

When the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The COINSURANCE Additional Condition does not apply to this increased cost of construction coverage.

- 2. We will not pay the increased costs of construction under this coverage:
 - a. Until the property is actually repaired or replaced, at the same or another premises; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- 3. We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- 4. The most we will pay under this coverage at each described premises is the lesser of:
 - a. 25% of the Limit of Insurance shown in the Declarations for Building Coverage; or
 - b. \$100,000.
- 5. We will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged, and
 - b. You failed to comply with.

- G. The following change is applicable to Section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM .

Manufacturers Selling Price

The following is added to Paragraph **7. Valuation** Loss Condition:

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

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

H. Dies, Patterns, Molds and Forms

Section **C. Limitations**, Paragraph **3.c.** of the CAUSES OF LOSS – SPECIAL FORM is deleted in its entirety.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOOD PROCESSORS CUSTOM PROTECTOR ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form or Causes of Loss Form unless specifically deleted, replaced, or modified herein. This endorsement is applicable only to those premises described in the Declarations.

Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.

If coverage is provided elsewhere in this policy for the same loss or damage as the coverage provided under this endorsement, the coverage under this endorsement will apply excess over that other coverage unless otherwise stated. We will not pay more than the actual amount of the covered loss or damage.

<u>Coverage Description</u>	<u>Limit of Insurance</u>
Broadened Premises	Included
Additional Covered Property	Included
Preservation of Property	90 days
Inventory and Appraisal	\$ 5,000
Employee Dishonesty	\$ 25,000
Money Orders and Counterfeit Money	\$ 25,000
Lost Key Coverage	\$ 2,500
Leasehold Interest	\$ 10,000
Contract Penalty Clause	\$ 5,000
Contingent Transit	\$ 5,000
Lost Lease Coverage – Lessors Interest	\$ 5,000
Tenant Move Back Coverage	\$ 5,000
Manufacturers Consequential Loss Assumption	\$ 25,000
Forgery or Alteration	\$ 25,000
Real Property of Others Required by Contract	\$ 25,000
Electronic Data	\$ 25,000
Foundations	Included
Debris Removal	\$ 25,000
Fire Department Service Charge	\$ 25,000
Pollutant Clean Up and Removal	\$ 25,000
Newly Acquired or Constructed Property	180 days
Buildings	\$ 500,000
Business Personal Property	\$ 250,000
Personal Effects and Property of Others	\$ 10,000
Valuable Papers and Records (Other Than Electronic Data)	
On Premises	\$100,000
Off Premises	\$ 5,000
Property Off-Premises (Including while in Transit)	\$100,000
Electronic Data in Transit	\$ 5,000
Outdoor Property	\$ 25,000
Accounts Receivable	
On Premises	\$100,000
Off Premises	\$ 5,000
Arson Reward (Not available in New York)	\$ 25,000
Back-up of Sewers or Drains	\$ 10,000

Extra Expense	\$ 10,000
<u>Coverage Description</u>	<u>Limit of Insurance</u>
Fine Arts	\$ 25,000
Fire Protective Devices	\$ 10,000
Loss of Refrigeration	\$ 25,000
Computer Equipment	\$ 25,000
Laptop/Portable Computers	\$ 5,000
Lock Replacement	\$ 2,500
Money and Securities	
Inside the Premises	\$ 25,000
Outside the Premises	\$ 25,000
Off-Premises Services Interruption	\$ 10,000
Consequential Loss	\$ 10,000
Business Income	\$ 10,000
Business Income – Utility Services Interruption	\$ 1,000
Business Income – Support Property	\$ 5,000
Employee Tools Coverage	\$ 5,000
Salespersons Samples	\$ 5,000
Loss to Pair or Set	Included
Business Personal Property Limit Seasonal Increase	25%
Appurtenant Structures	
Buildings	\$ 50,000
Business Personal Property	\$ 5,000
Signs (Attached)	\$ 25,000
Special Deductible Provision	Included
Waiver of Coinsurance on losses \$10,000 or less	Included
Brands and Labels	\$ 25,000
Ordinance or Law	25% of the Building Limit subject to \$100,000 maximum
Manufacturers Selling Price	Included
Dies, Patterns, Molds and Forms	Included in Business Personal Property Limit

A. The following changes apply to Section **A. COVERAGE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

1. Broadened Premises

The **within 100 feet of the described premises** description stated in Paragraph **A.1.a.(5)(b), Building**, Paragraph **A.1.b., Your Business Personal Property**, Paragraph **A.1.c.(2), Personal Property of Others** and Paragraph **A.5., Coverage Extensions** is deleted and replaced by **within 1000 feet of the described premises**.

2. Additional Covered Property

The following are added to item **a. Building** of Paragraph **1. Covered Property**:

- (6)** Bridges, roadways, walks, patios or other paved surfaces;
- (7)** Retaining walls (except retaining walls used to contain water) that are not part of a building.

Item 6 listed above is deleted from paragraph **2. Property Not Covered**.

Item I. of paragraph 2., Property Not Covered is deleted and replaced by the following:

- I. Retaining walls used to contain water.

3. Paragraph A.4. Additional Coverages is amended as follows:

b. Preservation of Property

The 30 day limitation in paragraph **A.4.b.(2)** is increased to 90 days.

4. The following are added to paragraph **A.4. Additional Coverages**:

g. Inventory and Appraisal

We will pay up to \$2,500 for inventory costs and \$2,500 for appraisal costs due to loss or damage as a result of a Covered Cause of Loss to covered property. We will only pay if the costs are incurred and are reasonable and necessary to establish the amount of the loss. Attorney or public adjuster fees are not covered costs under this section.

h. Employee Dishonesty

- 1) We will pay for direct loss of or damage to business personal property, including money and securities, resulting from dishonest acts committed by any of your employees acting alone, or in collusion with other persons (except you or your partner) with the manifest intent to:
 - a) Cause you to sustain loss or damage; and
 - b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - i) Any employee; or
 - ii) Any other person or organization.
- 2) We will not pay for loss or damage:
 - a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
 - b) The only proof of which as to its existence or amount is dependent upon:
 - i) An inventory computation; or
 - ii) A profit and loss computation.
- 3) The most we will pay for loss or damage in any one occurrence is \$25,000.
- 4) All loss or damage:
 - a) Caused by one or more persons; or
 - b) Involving a single act or series of related acts; is considered one occurrence.
- 5) If any loss is covered:
 - a) Partly by this insurance; and
 - b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest,

the most we will pay is the larger amount recoverable under this insurance or the prior insurance.
- 6) We will pay 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.

- 7) This Additional Coverage does not apply to the dishonest act of any employee that occurs after the discovery by:
 - a) You; or
 - b) Any of your partners, officers, directors or trustees not in collusion with the employeeof any dishonest act committed by that employee whether before or after becoming employed by you.
- 8) Will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- 9) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
 - (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- 10) The insurance under paragraph (9) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
 - (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.

Coverage provided under this Additional Coverage is subject to a Deductible equal to the Property Deductible shown in the Declarations.

"Employee" means:

- 1) Any natural person:
 - a. While in your service and for 30 days after termination of service; and
 - b. Whom you compensate directly by salary, wages or commissions; and
 - c. Whom you have the right to direct and control while performing services for you; or
- 2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

But "employee" does not mean any:

- 1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- 2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

i. Money Orders and Counterfeit Money

We will pay for your loss when you accept in good faith:

- 1) Any money order in exchange for goods or services if the money order is not paid when presented to the issuer; or

- 2) Counterfeit U.S. or Canadian paper money in the regular course of business.

The most we will pay under this additional coverage is \$25,000 in any one occurrence.

j. Lost Key Coverage

We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks, including the cost of their installation.

The most we will pay for loss or damage under this coverage is \$2,500 in any one occurrence.

k. Leasehold Interest

We will pay for loss of "tenants lease interest" you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss or damage at a premises described in the Declarations due to a Covered Cause of Loss.

"Tenants lease interest" means the difference between the rent you will pay under a new lease at the described premises; or elsewhere, and the rent you now pay.

The most we will pay for such loss is the least of:

- a) The total difference in rent based on the period of time remaining under your current lease; or
- b) The total difference in rent for one year; or
- c) \$10,000.

l. Contract Penalty Clause

We will pay the contract penalties you are required to pay to your customers as a result of any written clause in your contract for failure to timely deliver your product or service according to contract terms, provided the contract was executed prior to the loss or damage. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property. The most we will pay for penalties for all contracts in any one occurrence is \$5,000.

m. Contingent Transit

We cover the goods you sell to others which are shipped to them at their risk of loss, but only if you cannot collect on the bill of sale because:

- 1) The goods have been damaged by a Covered Cause of Loss applying to your business personal property; and
- 2) your customer has refused or is unable to pay.

If this occurs, we will adjust the loss as if this were your property. The most we will pay for loss or damage in any one occurrence is \$5,000.

Coverage provided under this Additional Coverage is subject to a deductible equal to the Property Deductible shown in the Declarations.

n. Lost Lease Coverage – Lessors Interest

If the Declarations show you have Business Income Coverage, the form is amended to include the following:

- 1) We will pay for loss you sustain due to the cancellation of lease contracts by your tenants when the reason for cancellation of the lease is direct physical loss or damage to the leased premises caused by or resulting from a Covered Cause of Loss during the policy period.
- 2) We will not pay for any loss caused by:
 - a) Your canceling the lease;
 - b) The suspension, lapse or cancellation of any license; or
 - c) Any other consequential loss.
- 3) The most we will pay under this coverage is:
 - a) The difference between the rent actually paid at the described premises and the anticipated rental value of the described premises that you lease for:
 - i) 12 months immediately following the period of restoration; or
 - ii) for the period beginning with the end of the period of restoration and ending with the normal expiration date of each canceled lease; or
 - iii) \$5,000 at any one location,whichever is less.

o. Tenant Move Back Coverage

We will pay expenses incurred by you for "Covered Move Back Costs" of tenants who temporarily vacate a portion of a covered building property at the premises described in the Declarations. The vacancy must have occurred while the portion of the covered building property rented by the tenant could not be occupied due to direct physical loss or damage to your Covered Property caused by or resulting from any Covered Cause of Loss during the policy period. The move back must take place within 60 days after the portion of the covered building property rented by the tenant has been repaired or rebuilt and is ready for occupancy.

We will pay for "Covered Move Back Costs" whether or not the tenant(s) move back before the expiration date of this policy.

"Covered Move Back Costs" under this endorsement means documented, reasonable and necessary:

- 1) Costs of packing, insuring and carting business personal property;
- 2) Costs of re-establishing electric utility services, less refunds from discontinued services;
- 3) Costs of assembling and setting up fixtures and equipment; and
- 4) Costs to unpack and re-shelve stock and supplies.
- 5) "Covered Move Back Costs" does not include:
 - a) Loss caused by the termination of a lease or other agreement; or
 - b) Security deposits or other payments, forfeitures or penalties made to the landlord or lessor of other premises.

The most we will pay for "Covered Move Back Costs" is \$5,000 resulting from any one occurrence.

p. Manufacturers Consequential Loss Assumption

We will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in the process of manufacture at the described premises.

The most we will pay in any one occurrence is \$25,000.

q. Forgery or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent. We will pay for loss 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.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, employees, managers, members, officers, directors or trustees whether acting alone or in collusion with others.
- (5) The most we will pay for all loss, including legal expenses, under this Additional Coverage is \$25,000.

"Money" means:

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

5. Real Property of Others Required by Contract

The following is added to item **b. Your Business Personal Property** of Paragraph 1. **Covered Property**:

- (8) Real Property coverage including but not limited to building, doors and windows you are responsible for due to contract or lease agreement.

The most we will pay for loss or damage to covered property is \$25,000.

6. Electronic Data

Item **f.(4) Electronic Data** of paragraph 4. **Additional Coverages** is deleted and replaced by the following:

(4) The most we will pay under this Additional Coverage – Electronic Data is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

7. Foundations

Item **g.** is deleted in its entirety from Paragraph **2.**, **Property Not Covered.**

8. Debris Removal

Paragraph A.4.a.(4) is deleted and replaced by the following:

- (4)** We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

9. Fire Department Service Charge

Item **c.** **Fire Department Service Charge** of Paragraph **4. Additional Coverages** is deleted and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

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

No deductible applies to this Additional Coverage.

10. Pollutant Clean Up and Removal

Item **d.** **Pollutant Clean Up and Removal** of Paragraph **4. Additional Coverages** is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

11. Newly Acquired or Constructed Property

Item a. **Newly Acquired or Constructed Property** of Paragraph 5. **Coverage Extensions** is deleted and replaced by the following:

(1) Buildings

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

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

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

(2) Your Business Personal Property

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

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

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

(b) This Extension does not apply to:

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

(3) Period of Coverage

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

- (a) This policy expires;
- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

12. Personal Effects and Property of Others

Item **b. Personal Effects and Property of Others** of Paragraph **5. Coverage Extensions** is amended as follows:

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

13. Valuable Papers and Records (Other Than Electronic Data)

Item **c. (4) Valuable Papers and Records (Other Than Electronic Data)** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$100,000 at each described premises or \$5,000 if it is not at the 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.

14. Property Off-Premises

Item **d. Property Off-Premises** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

- (1)** You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises if it is:
- (a)** Temporarily at a location you do not own, lease or operate;
 - (b)** In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c)** At any fair, trade show or exhibition

This Extension applies only if loss or damage is caused by a Covered Cause of Loss. This extension does **not** apply to property in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

- (2)** You may extend the insurance provided by this Coverage Form to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. Loss or damage must be caused by or result from one of the following causes of loss:
- (a)** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (b)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. Collision does not mean the vehicle's contact with the roadbed.
 - (c)** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible signs of forced entry.
- (3)** The most we will pay for loss or damage under this Extension is \$100,000.
- (4)** Coverage under this Extension is extended to cover electronic data in transit. Under this Extension, electronic data has the meaning described in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Property Not Covered – Electronic Data. The most we will pay for loss or damage to electronic data under this Extension is \$5,000 for all loss or damage sustained in any one

policy year, regardless of the number of occurrences of loss or damage or computer systems involved. This \$5,000 limit is part of and not in addition to the \$25,000 limit in paragraph **A.4.f. Electronic Data** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

15. Outdoor Property

Item **e. Outdoor Property** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, lighting, lighting standards, radio and television antennas, satellite dish, signs (other than signs attached to buildings), playground equipment, scoreboards, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

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

16. The following are added to Paragraph **5. Coverage Extensions**:

g. 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 the loss or damage; and
 - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;
- that result from a Covered Cause of Loss to your records of accounts receivable.

The most we will pay for loss at the described premises under this Extension is \$100,000. The most we will pay for loss away from the described premises under this Extension is \$5,000.

h. Arson Reward (Not available in New York)

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

i. Back-Up of Sewers or Drains

We cover direct physical loss or damage caused by water:

- (1) which backs up through sewers or drains; or
- (2) which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

This coverage does not apply if the loss or damage is caused by your negligence.

The most we will pay for loss or damage under this Coverage Extension is \$10,000.

j. Extra Expense

We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to the property at the premises described in the Declarations, including personal property in the open or in a vehicle, within 1,000 feet of the premises, caused by or resulting from any Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 1000 feet.

The following definitions are added as respects this Coverage Extension:

(1) 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:

(a) To avoid or minimize the suspension of business and to continue operations:

- 1. At the described premises; or
- 2. At replacement premises or at temporary locations, including:
 - A. Relocation expenses; or
 - B. Costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue operations.

- (c) 1. To repair or replace any property; or
2. To research, replace or restore the lost information on damaged valuable papers and records; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension .

(2) Operations mean the type of your business activities occurring at the described premises.

(3) Period of Restoration means the period of time that:

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

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

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

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

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

The most we will pay for loss under this Extension is \$10,000.

k. Fine Arts

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

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

- (1) While fine arts are at any fair or on exhibition;
- (2) Any repairing, restoration or retouching process;
- (3) Insects, birds, rodents or other animals;
- (4) Wear and tear;
- (5) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
- (6) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

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

l. Fire Protective Devices

You may extend the insurance provided by this Coverage Form to apply to recharging or refilling of your fire protective devices that are permanently installed in buildings at the described premises when such devices have been discharged by accident or after being used in fighting a fire. This Extension does not apply to periodic recharge or refilling.

The most we will pay under this Extension is \$10,000 for each separate 12-month period of this policy.

m. Loss of Refrigeration

You may extend the insurance provided by this Coverage Form to apply to direct physical loss of or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment resulting from:

- (1) The fluctuation or total interruption of electrical power, either on or off the described premises, due to conditions beyond your control; or
- (2) Mechanical failure of any refrigeration or cooling apparatus or equipment (on premises).

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

n. Computer Equipment

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "computer equipment" owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "laptop/portable computers" owned by you and in your care, custody and control or in the care, custody or control of your employee.

(1) Property Not Covered

We will not cover the following kinds of property under this Extension:

- (a)** Property which you rent or lease to others;
- (b)** Software or other electronic data ;
- (c)** Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents.
- (d)** "Computer equipment" held for sale by you;
- (e)** "Computer equipment" of others on which you are performing repairs or work;
- (f)** "Computer equipment" or that is part of any:
 - (i)** Production or processing equipment (such as CAD, CAM or CNC machines);
 - (ii)** Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm systems); or
 - (iii)** Communication equipment (such as telephone systems).
- (g)** Property that is covered under another coverage form of this or any other policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

(2) Property In Transit

We will pay for your "computer equipment", or "laptop/portable computer" while in transit.

- (3)** Section **B. Exclusions, 1.b. Earth Movement** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (4)** Section **B. Exclusions, 1.e. Utility Services** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (5)** Section **B. Exclusions, 1.g. Water** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (6)** The artificially generated electrical current exclusion, Item **B.2.a.** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (7)** The mechanical breakdown exclusion, Item **B.2.d.(6)** of the CAUSES OF LOSS - SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted and replaced by the following:
 - (6)** Mechanical breakdown, failure or derangement, except:

- (a) This exclusion does not apply for the accidental loss or damage caused by a resulting fire or explosion.
- (b) This exclusion does not apply if any of the above is sudden and accidental and manifests itself by physical damage to "computer equipment" which requires repair or replacement.

(8) Loss Payment will be determined as follows:

"Computer equipment" or "laptop/portable computers"

We will pay the least of the following amounts:

- (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
- (ii) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

"Computer Equipment" means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

"Laptop/Portable Computers" means "computer equipment" and accessories that are designed to function with it that can easily be carried and is designed to be used at more than one location.

The most we will pay for loss or damage to "computer equipment" under this Extension is \$25,000.

The most we will pay under this Extension for loss or damage to "laptop/portable computers" while away from the described premises is \$5,000.

o. Lock Replacement

You may extend the insurance provided by this Coverage Form to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the described premises.

The most we will pay for loss under this Coverage Extension is \$2,500 in any one occurrence.

p. Money and Securities

(1) You may extend the insurance that applies to Business Personal Property to apply to 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, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of “money” deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) \$25,000 for Inside the Premises for “money” and “securities” while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) \$25,000 for Outside the Premises for “money” and “securities” while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all “money” and “securities” so we can verify the amount of any loss or damage.
- (6) “**Money**” means:
- (a) Currency, coins and bank notes in current use and having a face value; and
 - (b) Travelers checks, register checks and money orders held for sale to the public.
- (7) “**Securities**” means negotiable and non-negotiable instruments or contracts representing either “money” or other property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include “money”.

q. Off-Premises Services Interruption

You may extend the insurance provided by this Coverage Form to apply to 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 following property not on the described premises:

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

Pumping stations; and

Water mains.

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.

It does not include above ground communication 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.

It does not include above ground transmission or distribution lines.

The most we will pay under this Extension is \$10,000.

r. Consequential Loss

We will pay up to \$10,000 for the consequential loss of undamaged business personal property.

Consequential Loss, as applicable to this Coverage Extension is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage to another part or parts of the product caused by a Covered Cause of Loss.

s. Business Income

We will pay up to \$10,000 for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration. The suspension must be caused by direct physical loss or damage to your covered Building or Business Personal Property at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 100 feet.

The COINSURANCE Additional Condition does not apply as respects this Coverage Extension.

The following definitions are added as respects this Coverage Extension:

- (1) Business Income means the:
 - (a) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - (b) Continuing normal operating expenses incurred, including payroll.
- (2) Operations means the type of your business activities occurring at the described premises.
- (3) Period of Restoration means the period of time that:
 - (a) Begins 72 hours after the time of direct physical loss or damage for Business Income coverage caused by or resulting from a Covered Cause of Loss at the described premises; and
 - (b) Ends on the earlier of:
 1. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 2. The date when business is resumed at a new permanent location.

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

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

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

t. Business Income – Utility Services Interruption

We will pay up to \$1,000 in any one occurrence for the actual loss of Business Income at the described premises 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 following types of property located outside of a covered building described in the Declarations:

- (i) Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - i. Pumping stations; and
 - ii. Water mains.
- (ii) Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - i. Communication transmission lines, including optic fiber transmission lines;
 - ii. Coaxial cables; and
 - iii. Microwave radio relays except satellites.

It does not include above ground communication lines.

- (iii) Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - i. Utility generating plants;
 - ii. Switching stations;
 - iii. Substations;

- iv. Transformers; and
- v. Transmission lines.

It does not include above ground transmission or distribution lines.

u. Business Income – Support Property

If the Declarations show you have Business Income Coverage, the following Additional Coverage is added:

We will pay for the actual loss of business income you sustain due to direct physical loss or damage at the premises of an “income support property” not described in the Declarations, caused by or resulting from any Covered Cause of Loss. “Income support property” means property operated by others on whom you depend to:

- 1) deliver material or services to you, or to others for your account;
- 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.

The most we will pay for this coverage is \$5,000 in any one occurrence.

v. Employee Tools Coverage

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to tools owned by your employees while used in your business or when in your building.

However, we will not pay for a loss that is caused by or results from theft or attempted theft of employee tools unless such loss occurs:

- 1) At a building and there is visible evidence of forcible entry or exit on your building; or
- 2) From a locked vehicle and there is visible evidence of forcible entry.

The value of Employee Tools will be determined at actual cash value as of the time of loss or damage.

The most we will pay with respect to employee tools is \$5,000 in any one occurrence.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

w. Salespersons Samples

You may extend the insurance that applies to Your Business Personal Property to apply to Salespersons' Samples of your stock in trade, including their containers, while they are in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

The most we will pay for loss to Salespersons Samples in any one occurrence is \$5,000 for property in the custody of any one salesperson.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

x. Loss to Pair or Set

If there is a loss or damage by a Covered Cause of Loss to covered property which is a part of a pair or set, we will pay; at our option, for:

- 1) The cost to repair or replace any part to restore the pair or set to its value before the loss; or
- 2) The difference between the value of the pair or set before and after the loss; or
- 3) The full actual cash value for the pair or set at the time of loss, and you will give us the remainder of the pair or set.

y. Business Personal Property Limit Seasonal Increase

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 90% of your average monthly value during the lesser of:

- 1) The 12-month period immediately preceding the date the loss or damage occurs; or
- 2) The period of time you have been in business as of the date loss occurs.

z. Appurtenant Structures

You may extend the insurance that applies to Building to apply to your storage buildings, your garages and your other appurtenant structures, except outdoor fixtures, at the described premises. The most we will pay for Building loss or damage under this Extension is \$50,000.

You may extend the insurance that applies to Business Personal Property to apply to such property in your storage buildings, your garages and your other appurtenant structures at the described premises. The most we will pay for Business Personal Property loss or damage under this Extension is \$5,000.

- B.** The second paragraph of Section **C. LIMITS OF INSURANCE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by the following:

Signs (Attached)

The most we will pay for loss or damage to outdoor signs attached to buildings is \$25,000 per sign in any one occurrence.

- C.** The following is added to Section **D. DEDUCTIBLE**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

Special Deductible Provision

We will deduct from any loss or damage under the Coverage Extensions in any one occurrence the Deductible shown in the Declarations or \$500, whichever is less.

This deductible applies to all Coverage Extensions, except for:

- a. Newly Acquired or Constructed Property; and
- e. Outdoor Property

D. Coinsurance

Section **F. ADDITIONAL CONDITIONS**, Paragraph **1. Coinsurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM applies only when the total loss or damage to all Covered Property in any one occurrence is greater than \$10,000.

E. Brands and Labels

The following is added to Section **E. LOSS CONDITIONS**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM

8. Brands and Labels

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

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

The most we will pay under this coverage is \$25,000.

F. Ordinance or Law

1. If a Covered Cause of Loss occurs to covered Building property, we will pay:

- a. For the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at a described premises; and
 - (iii) Is in force at the time of loss.
- b. The cost to demolish and clear the site of undamaged parts of the property caused by the enforcement of building, zoning or land use ordinance or law.

The COINSURANCE Additional Condition does not apply to this demolition cost coverage.

- c. The increased cost to:
 - (i) Repair or reconstruct damaged portions of that Building property; and/or

- (ii) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

When the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The COINSURANCE Additional Condition does not apply to this increased cost of construction coverage.

- 2. We will not pay the increased costs of construction under this coverage:
 - a. Until the property is actually repaired or replaced, at the same or another premises; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- 3. We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- 4. The most we will pay under this coverage at each described premises is the lesser of:
 - a. 25% of the Limit of Insurance shown in the Declarations for Building Coverage; or
 - b. \$100,000.
- 5. We will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged, and
 - b. You failed to comply with.

- G. The following change is applicable to Section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM .

Manufacturers Selling Price

The following is added to Paragraph **7. Valuation** Loss Condition:

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

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

H. Dies, Patterns, Molds and Forms

Section **C. Limitations**, Paragraph **3.c.** of the CAUSES OF LOSS – SPECIAL FORM is deleted in its entirety.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS CUSTOM PROTECTOR ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form or Causes of Loss Form unless specifically deleted, replaced, or modified herein. This endorsement is applicable only to those premises described in the Declarations.

Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.

If coverage is provided elsewhere in this policy for the same loss or damage as the coverage provided under this endorsement, the coverage under this endorsement will apply excess over that other coverage unless otherwise stated. We will not pay more than the actual amount of the covered loss or damage.

<u>Coverage Description</u>	<u>Limit of Insurance</u>
Broadened Premises	Included
Additional Covered Property	Included
Preservation of Property	90 days
Inventory and Appraisal	\$ 5,000
Employee Dishonesty	\$ 25,000
Money Orders and Counterfeit Money	\$ 25,000
Lost Key Coverage	\$ 2,500
Leasehold Interest	\$ 10,000
Contract Penalty Clause	\$ 5,000
Contingent Transit	\$ 5,000
Lost Lease Coverage – Lessors Interest	\$ 5,000
Tenant Move Back Coverage	\$ 5,000
Manufacturers Consequential Loss Assumption	\$ 25,000
Forgery or Alteration	\$ 25,000
Real Property of Others Required by Contract	\$ 25,000
Electronic Data	\$ 25,000
Foundations	Included
Debris Removal	\$ 25,000
Fire Department Service Charge	\$ 25,000
Pollutant Clean Up and Removal	\$ 25,000
Newly Acquired or Constructed Property	180 days
Buildings	\$ 500,000
Business Personal Property	\$ 250,000
Personal Effects and Property of Others	\$ 10,000
Valuable Papers and Records (Other Than Electronic Data)	
On Premises	\$100,000
Off Premises	\$ 5,000
Property Off-Premises (Including while in Transit)	\$100,000
Electronic Data in Transit	\$ 5,000
Outdoor Property	\$ 25,000
Accounts Receivable	
On Premises	\$100,000
Off Premises	\$ 5,000
Arson Reward (Not available in New York)	\$ 25,000
Back-up of Sewers or Drains	\$ 10,000

Extra Expense	\$ 10,000
<u>Coverage Description</u>	<u>Limit of Insurance</u>
Fine Arts	\$ 25,000
Fire Protective Devices	\$ 10,000
Loss of Refrigeration	\$ 25,000
Computer Equipment	\$ 25,000
Laptop/Portable Computers	\$ 5,000
Lock Replacement	\$ 2,500
Money and Securities	
Inside the Premises	\$ 25,000
Outside the Premises	\$ 25,000
Off-Premises Services Interruption	\$ 10,000
Consequential Loss	\$ 10,000
Business Income	\$ 10,000
Business Income – Utility Services Interruption	\$ 1,000
Business Income – Support Property	\$ 5,000
Employee Tools Coverage	\$ 5,000
Salespersons Samples	\$ 5,000
Loss to Pair or Set	Included
Business Personal Property Limit Seasonal Increase	25%
Appurtenant Structures	
Buildings	\$ 50,000
Business Personal Property	\$ 5,000
Signs (Attached)	\$ 25,000
Special Deductible Provision	Included
Waiver of Coinsurance on losses \$10,000 or less	Included
Brands and Labels	\$ 25,000
Ordinance or Law	25% of the Building Limit subject to \$100,000 maximum
Manufacturers Selling Price	Included
Dies, Patterns, Molds and Forms	Included in Business Personal Property Limit

A. The following changes apply to Section **A. COVERAGE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

1. Broadened Premises

The **within 100 feet of the described premises** description stated in Paragraph **A.1.a.(5)(b), Building**, Paragraph **A.1.b., Your Business Personal Property**, Paragraph **A.1.c.(2), Personal Property of Others** and Paragraph **A.5., Coverage Extensions** is deleted and replaced by **within 1000 feet of the described premises**.

2. Additional Covered Property

The following are added to item **a. Building** of Paragraph **1. Covered Property**:

- (6)** Bridges, roadways, walks, patios or other paved surfaces;
- (7)** Retaining walls (except retaining walls used to contain water) that are not part of a building.

Item 6 listed above is deleted from paragraph **2. Property Not Covered**.

Item I. of paragraph 2., Property Not Covered is deleted and replaced by the following:

- I. Retaining walls used to contain water.

3. Paragraph A.4. Additional Coverages is amended as follows:

b. Preservation of Property

The 30 day limitation in paragraph **A.4.b.(2)** is increased to 90 days.

4. The following are added to paragraph **A.4. Additional Coverages**:

g. Inventory and Appraisal

We will pay up to \$2,500 for inventory costs and \$2,500 for appraisal costs due to loss or damage as a result of a Covered Cause of Loss to covered property. We will only pay if the costs are incurred and are reasonable and necessary to establish the amount of the loss. Attorney or public adjuster fees are not covered costs under this section.

h. Employee Dishonesty

- 1) We will pay for direct loss of or damage to business personal property, including money and securities, resulting from dishonest acts committed by any of your employees acting alone, or in collusion with other persons (except you or your partner) with the manifest intent to:
 - a) Cause you to sustain loss or damage; and
 - b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - i) Any employee; or
 - ii) Any other person or organization.
- 2) We will not pay for loss or damage:
 - a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
 - b) The only proof of which as to its existence or amount is dependent upon:
 - i) An inventory computation; or
 - ii) A profit and loss computation.
- 3) The most we will pay for loss or damage in any one occurrence is \$25,000.
- 4) All loss or damage:
 - a) Caused by one or more persons; or
 - b) Involving a single act or series of related acts; is considered one occurrence.
- 5) If any loss is covered:
 - a) Partly by this insurance; and
 - b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest,

the most we will pay is the larger amount recoverable under this insurance or the prior insurance.
- 6) We will pay 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.

- 7) This Additional Coverage does not apply to the dishonest act of any employee that occurs after the discovery by:
 - a) You; or
 - b) Any of your partners, officers, directors or trustees not in collusion with the employeeof any dishonest act committed by that employee whether before or after becoming employed by you.
- 8) Will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- 9) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
 - (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- 10) The insurance under paragraph (9) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
 - (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.

Coverage provided under this Additional Coverage is subject to a Deductible equal to the Property Deductible shown in the Declarations.

"Employee" means:

- 1) Any natural person:
 - a. While in your service and for 30 days after termination of service; and
 - b. Whom you compensate directly by salary, wages or commissions; and
 - c. Whom you have the right to direct and control while performing services for you; or
- 2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

But "employee" does not mean any:

- 1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- 2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

i. Money Orders and Counterfeit Money

We will pay for your loss when you accept in good faith:

- 1) Any money order in exchange for goods or services if the money order is not paid when presented to the issuer; or

- 2) Counterfeit U.S. or Canadian paper money in the regular course of business.

The most we will pay under this additional coverage is \$25,000 in any one occurrence.

j. Lost Key Coverage

We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks, including the cost of their installation.

The most we will pay for loss or damage under this coverage is \$2,500 in any one occurrence.

k. Leasehold Interest

We will pay for loss of "tenants lease interest" you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss or damage at a premises described in the Declarations due to a Covered Cause of Loss.

"Tenants lease interest" means the difference between the rent you will pay under a new lease at the described premises; or elsewhere, and the rent you now pay.

The most we will pay for such loss is the least of:

- a) The total difference in rent based on the period of time remaining under your current lease; or
- b) The total difference in rent for one year; or
- c) \$10,000.

l. Contract Penalty Clause

We will pay the contract penalties you are required to pay to your customers as a result of any written clause in your contract for failure to timely deliver your product or service according to contract terms, provided the contract was executed prior to the loss or damage. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property. The most we will pay for penalties for all contracts in any one occurrence is \$5,000.

m. Contingent Transit

We cover the goods you sell to others which are shipped to them at their risk of loss, but only if you cannot collect on the bill of sale because:

- 1) The goods have been damaged by a Covered Cause of Loss applying to your business personal property; and
- 2) your customer has refused or is unable to pay.

If this occurs, we will adjust the loss as if this were your property. The most we will pay for loss or damage in any one occurrence is \$5,000.

Coverage provided under this Additional Coverage is subject to a deductible equal to the Property Deductible shown in the Declarations.

n. Lost Lease Coverage – Lessors Interest

If the Declarations show you have Business Income Coverage, the form is amended to include the following:

- 1) We will pay for loss you sustain due to the cancellation of lease contracts by your tenants when the reason for cancellation of the lease is direct physical loss or damage to the leased premises caused by or resulting from a Covered Cause of Loss during the policy period.
- 2) We will not pay for any loss caused by:
 - a) Your canceling the lease;
 - b) The suspension, lapse or cancellation of any license; or
 - c) Any other consequential loss.
- 3) The most we will pay under this coverage is:
 - a) The difference between the rent actually paid at the described premises and the anticipated rental value of the described premises that you lease for:
 - i) 12 months immediately following the period of restoration; or
 - ii) for the period beginning with the end of the period of restoration and ending with the normal expiration date of each canceled lease; or
 - iii) \$5,000 at any one location,whichever is less.

o. Tenant Move Back Coverage

We will pay expenses incurred by you for "Covered Move Back Costs" of tenants who temporarily vacate a portion of a covered building property at the premises described in the Declarations. The vacancy must have occurred while the portion of the covered building property rented by the tenant could not be occupied due to direct physical loss or damage to your Covered Property caused by or resulting from any Covered Cause of Loss during the policy period. The move back must take place within 60 days after the portion of the covered building property rented by the tenant has been repaired or rebuilt and is ready for occupancy.

We will pay for "Covered Move Back Costs" whether or not the tenant(s) move back before the expiration date of this policy.

"Covered Move Back Costs" under this endorsement means documented, reasonable and necessary:

- 1) Costs of packing, insuring and carting business personal property;
- 2) Costs of re-establishing electric utility services, less refunds from discontinued services;
- 3) Costs of assembling and setting up fixtures and equipment; and
- 4) Costs to unpack and re-shelve stock and supplies.
- 5) "Covered Move Back Costs" does not include:
 - a) Loss caused by the termination of a lease or other agreement; or
 - b) Security deposits or other payments, forfeitures or penalties made to the landlord or lessor of other premises.

The most we will pay for "Covered Move Back Costs" is \$5,000 resulting from any one occurrence.

p. Manufacturers Consequential Loss Assumption

We will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in the process of manufacture at the described premises.

The most we will pay in any one occurrence is \$25,000.

q. Forgery or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent. We will pay for loss 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.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, employees, managers, members, officers, directors or trustees whether acting alone or in collusion with others.
- (5) The most we will pay for all loss, including legal expenses, under this Additional Coverage is \$25,000.

"Money" means:

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

5. Real Property of Others Required by Contract

The following is added to item **b. Your Business Personal Property** of Paragraph 1. **Covered Property**:

- (8) Real Property coverage including but not limited to building, doors and windows you are responsible for due to contract or lease agreement.

The most we will pay for loss or damage to covered property is \$25,000.

6. Electronic Data

Item **f.(4) Electronic Data** of paragraph 4. **Additional Coverages** is deleted and replaced by the following:

(4) The most we will pay under this Additional Coverage – Electronic Data is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

7. Foundations

Item **g.** is deleted in its entirety from Paragraph **2.**, **Property Not Covered.**

8. Debris Removal

Paragraph A.4.a.(4) is deleted and replaced by the following:

- (4)** We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

9. Fire Department Service Charge

Item **c.** **Fire Department Service Charge** of Paragraph **4. Additional Coverages** is deleted and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

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

No deductible applies to this Additional Coverage.

10. Pollutant Clean Up and Removal

Item **d.** **Pollutant Clean Up and Removal** of Paragraph **4. Additional Coverages** is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

11. Newly Acquired or Constructed Property

Item a. **Newly Acquired or Constructed Property** of Paragraph 5. **Coverage Extensions** is deleted and replaced by the following:

(1) Buildings

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

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

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

(2) Your Business Personal Property

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

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

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

(b) This Extension does not apply to:

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

(3) Period of Coverage

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

- (a) This policy expires;
- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

12. Personal Effects and Property of Others

Item **b. Personal Effects and Property of Others** of Paragraph **5. Coverage Extensions** is amended as follows:

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

13. Valuable Papers and Records (Other Than Electronic Data)

Item **c. (4) Valuable Papers and Records (Other Than Electronic Data)** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$100,000 at each described premises or \$5,000 if it is not at the 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.

14. Property Off-Premises

Item **d. Property Off-Premises** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

- (1)** You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises if it is:
- (a)** Temporarily at a location you do not own, lease or operate;
 - (b)** In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c)** At any fair, trade show or exhibition

This Extension applies only if loss or damage is caused by a Covered Cause of Loss. This extension does **not** apply to property in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

- (2)** You may extend the insurance provided by this Coverage Form to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. Loss or damage must be caused by or result from one of the following causes of loss:
- (a)** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (b)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. Collision does not mean the vehicle's contact with the roadbed.
 - (c)** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible signs of forced entry.
- (3)** The most we will pay for loss or damage under this Extension is \$100,000.
- (4)** Coverage under this Extension is extended to cover electronic data in transit. Under this Extension, electronic data has the meaning described in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Property Not Covered – Electronic Data. The most we will pay for loss or damage to electronic data under this Extension is \$5,000 for all loss or damage sustained in any one

policy year, regardless of the number of occurrences of loss or damage or computer systems involved. This \$5,000 limit is part of and not in addition to the \$25,000 limit in paragraph **A.4.f. Electronic Data** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

15. Outdoor Property

Item **e. Outdoor Property** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, lighting, lighting standards, radio and television antennas, satellite dish, signs (other than signs attached to buildings), playground equipment, scoreboards, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

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

16. The following are added to Paragraph **5. Coverage Extensions**:

g. 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 the loss or damage; and
 - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;
- that result from a Covered Cause of Loss to your records of accounts receivable.

The most we will pay for loss at the described premises under this Extension is \$100,000. The most we will pay for loss away from the described premises under this Extension is \$5,000.

h. Arson Reward (Not available in New York)

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

i. Back-Up of Sewers or Drains

We cover direct physical loss or damage caused by water:

- (1) which backs up through sewers or drains; or
- (2) which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

This coverage does not apply if the loss or damage is caused by your negligence.

The most we will pay for loss or damage under this Coverage Extension is \$10,000.

j. Extra Expense

We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to the property at the premises described in the Declarations, including personal property in the open or in a vehicle, within 1,000 feet of the premises, caused by or resulting from any Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 1000 feet.

The following definitions are added as respects this Coverage Extension:

(1) 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:

(a) To avoid or minimize the suspension of business and to continue operations:

- 1. At the described premises; or
- 2. At replacement premises or at temporary locations, including:
 - A. Relocation expenses; or
 - B. Costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue operations.

(c) 1. To repair or replace any property; or

2. To research, replace or restore the lost information on damaged valuable papers and records; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension .

(2) Operations mean the type of your business activities occurring at the described premises.

(3) Period of Restoration means the period of time that:

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

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

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

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

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

The most we will pay for loss under this Extension is \$10,000.

k. Fine Arts

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

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

- (1) While fine arts are at any fair or on exhibition;
- (2) Any repairing, restoration or retouching process;
- (3) Insects, birds, rodents or other animals;
- (4) Wear and tear;
- (5) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
- (6) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

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

l. Fire Protective Devices

You may extend the insurance provided by this Coverage Form to apply to recharging or refilling of your fire protective devices that are permanently installed in buildings at the described premises when such devices have been discharged by accident or after being used in fighting a fire. This Extension does not apply to periodic recharge or refilling.

The most we will pay under this Extension is \$10,000 for each separate 12-month period of this policy.

m. Loss of Refrigeration

You may extend the insurance provided by this Coverage Form to apply to direct physical loss of or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment resulting from:

- (1) The fluctuation or total interruption of electrical power, either on or off the described premises, due to conditions beyond your control; or
- (2) Mechanical failure of any refrigeration or cooling apparatus or equipment (on premises).

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

n. Computer Equipment

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "computer equipment" owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "laptop/portable computers" owned by you and in your care, custody and control or in the care, custody or control of your employee.

(1) Property Not Covered

We will not cover the following kinds of property under this Extension:

- (a)** Property which you rent or lease to others;
- (b)** Software or other electronic data ;
- (c)** Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents.
- (d)** "Computer equipment" held for sale by you;
- (e)** "Computer equipment" of others on which you are performing repairs or work;
- (f)** "Computer equipment" or that is part of any:
 - (i)** Production or processing equipment (such as CAD, CAM or CNC machines);
 - (ii)** Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm systems); or
 - (iii)** Communication equipment (such as telephone systems).
- (g)** Property that is covered under another coverage form of this or any other policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

(2) Property In Transit

We will pay for your "computer equipment", or "laptop/portable computer" while in transit.

- (3)** Section **B. Exclusions, 1.b. Earth Movement** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (4)** Section **B. Exclusions, 1.e. Utility Services** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (5)** Section **B. Exclusions, 1.g. Water** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (6)** The artificially generated electrical current exclusion, Item **B.2.a.** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (7)** The mechanical breakdown exclusion, Item **B.2.d.(6)** of the CAUSES OF LOSS - SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted and replaced by the following:
 - (6)** Mechanical breakdown, failure or derangement, except:

- (a) This exclusion does not apply for the accidental loss or damage caused by a resulting fire or explosion.
- (b) This exclusion does not apply if any of the above is sudden and accidental and manifests itself by physical damage to "computer equipment" which requires repair or replacement.

(8) Loss Payment will be determined as follows:

"Computer equipment" or "laptop/portable computers"

We will pay the least of the following amounts:

- (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
- (ii) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

"Computer Equipment" means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

"Laptop/Portable Computers" means "computer equipment" and accessories that are designed to function with it that can easily be carried and is designed to be used at more than one location.

The most we will pay for loss or damage to "computer equipment" under this Extension is \$25,000.

The most we will pay under this Extension for loss or damage to "laptop/portable computers" while away from the described premises is \$5,000.

o. Lock Replacement

You may extend the insurance provided by this Coverage Form to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the described premises.

The most we will pay for loss under this Coverage Extension is \$2,500 in any one occurrence.

p. Money and Securities

(1) You may extend the insurance that applies to Business Personal Property to apply to 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, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) \$25,000 for Inside the Premises for "money" and "securities" while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) \$25,000 for Outside the Premises for "money" and "securities" while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) "**Money**" means:
- (a) Currency, coins and bank notes in current use and having a face value; and
 - (b) Travelers checks, register checks and money orders held for sale to the public.
- (7) "**Securities**" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include "money".

q. Off-Premises Services Interruption

You may extend the insurance provided by this Coverage Form to apply to 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 following property not on the described premises:

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

Pumping stations; and

Water mains.

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.

It does not include above ground communication 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.

It does not include above ground transmission or distribution lines.

The most we will pay under this Extension is \$10,000.

r. Consequential Loss

We will pay up to \$10,000 for the consequential loss of undamaged business personal property.

Consequential Loss, as applicable to this Coverage Extension is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage to another part or parts of the product caused by a Covered Cause of Loss.

s. Business Income

We will pay up to \$10,000 for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration. The suspension must be caused by direct physical loss or damage to your covered Building or Business Personal Property at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 100 feet.

The COINSURANCE Additional Condition does not apply as respects this Coverage Extension.

The following definitions are added as respects this Coverage Extension:

- (1) Business Income means the:
 - (a) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - (b) Continuing normal operating expenses incurred, including payroll.
- (2) Operations means the type of your business activities occurring at the described premises.
- (3) Period of Restoration means the period of time that:
 - (a) Begins 72 hours after the time of direct physical loss or damage for Business Income coverage caused by or resulting from a Covered Cause of Loss at the described premises; and
 - (b) Ends on the earlier of:
 1. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 2. The date when business is resumed at a new permanent location.

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

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

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

t. Business Income – Utility Services Interruption

We will pay up to \$1,000 in any one occurrence for the actual loss of Business Income at the described premises 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 following types of property located outside of a covered building described in the Declarations:

- (i) Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - i. Pumping stations; and
 - ii. Water mains.
- (ii) Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - i. Communication transmission lines, including optic fiber transmission lines;
 - ii. Coaxial cables; and
 - iii. Microwave radio relays except satellites.

It does not include above ground communication lines.

- (iii) Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - i. Utility generating plants;
 - ii. Switching stations;
 - iii. Substations;

- iv. Transformers; and
- v. Transmission lines.

It does not include above ground transmission or distribution lines.

u. Business Income – Support Property

If the Declarations show you have Business Income Coverage, the following Additional Coverage is added:

We will pay for the actual loss of business income you sustain due to direct physical loss or damage at the premises of an “income support property” not described in the Declarations, caused by or resulting from any Covered Cause of Loss. “Income support property” means property operated by others on whom you depend to:

- 1) deliver material or services to you, or to others for your account;
- 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.

The most we will pay for this coverage is \$5,000 in any one occurrence.

v. Employee Tools Coverage

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to tools owned by your employees while used in your business or when in your building.

However, we will not pay for a loss that is caused by or results from theft or attempted theft of employee tools unless such loss occurs:

- 1) At a building and there is visible evidence of forcible entry or exit on your building; or
- 2) From a locked vehicle and there is visible evidence of forcible entry.

The value of Employee Tools will be determined at actual cash value as of the time of loss or damage.

The most we will pay with respect to employee tools is \$5,000 in any one occurrence.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

w. Salespersons Samples

You may extend the insurance that applies to Your Business Personal Property to apply to Salespersons' Samples of your stock in trade, including their containers, while they are in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

The most we will pay for loss to Salespersons Samples in any one occurrence is \$5,000 for property in the custody of any one salesperson.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

x. Loss to Pair or Set

If there is a loss or damage by a Covered Cause of Loss to covered property which is a part of a pair or set, we will pay; at our option, for:

- 1) The cost to repair or replace any part to restore the pair or set to its value before the loss; or
- 2) The difference between the value of the pair or set before and after the loss; or
- 3) The full actual cash value for the pair or set at the time of loss, and you will give us the remainder of the pair or set.

y. Business Personal Property Limit Seasonal Increase

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 90% of your average monthly value during the lesser of:

- 1) The 12-month period immediately preceding the date the loss or damage occurs; or
- 2) The period of time you have been in business as of the date loss occurs.

z. Appurtenant Structures

You may extend the insurance that applies to Building to apply to your storage buildings, your garages and your other appurtenant structures, except outdoor fixtures, at the described premises. The most we will pay for Building loss or damage under this Extension is \$50,000.

You may extend the insurance that applies to Business Personal Property to apply to such property in your storage buildings, your garages and your other appurtenant structures at the described premises. The most we will pay for Business Personal Property loss or damage under this Extension is \$5,000.

- B.** The second paragraph of Section **C. LIMITS OF INSURANCE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by the following:

Signs (Attached)

The most we will pay for loss or damage to outdoor signs attached to buildings is \$25,000 per sign in any one occurrence.

- C.** The following is added to Section **D. DEDUCTIBLE**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

Special Deductible Provision

We will deduct from any loss or damage under the Coverage Extensions in any one occurrence the Deductible shown in the Declarations or \$500, whichever is less.

This deductible applies to all Coverage Extensions, except for:

- a. Newly Acquired or Constructed Property; and
- e. Outdoor Property

D. Coinsurance

Section **F. ADDITIONAL CONDITIONS**, Paragraph **1. Coinsurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM applies only when the total loss or damage to all Covered Property in any one occurrence is greater than \$10,000.

E. Brands and Labels

The following is added to Section **E. LOSS CONDITIONS**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM

8. Brands and Labels

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

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

The most we will pay under this coverage is \$25,000.

F. Ordinance or Law

1. If a Covered Cause of Loss occurs to covered Building property, we will pay:

- a. For the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at a described premises; and
 - (iii) Is in force at the time of loss.
- b. The cost to demolish and clear the site of undamaged parts of the property caused by the enforcement of building, zoning or land use ordinance or law.

The COINSURANCE Additional Condition does not apply to this demolition cost coverage.

- c. The increased cost to:
 - (i) Repair or reconstruct damaged portions of that Building property; and/or

- (ii) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

When the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The COINSURANCE Additional Condition does not apply to this increased cost of construction coverage.

- 2. We will not pay the increased costs of construction under this coverage:
 - a. Until the property is actually repaired or replaced, at the same or another premises; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- 3. We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- 4. The most we will pay under this coverage at each described premises is the lesser of:
 - a. 25% of the Limit of Insurance shown in the Declarations for Building Coverage; or
 - b. \$100,000.
- 5. We will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged, and
 - b. You failed to comply with.

- G. The following change is applicable to Section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM .

Manufacturers Selling Price

The following is added to Paragraph **7. Valuation** Loss Condition:

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

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

H. Dies, Patterns, Molds and Forms

Section **C. Limitations**, Paragraph **3.c.** of the CAUSES OF LOSS – SPECIAL FORM is deleted in its entirety.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GARAGE CUSTOM PROTECTOR ENDORSEMENT

This endorsement modifies insurance provided under the following:

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

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form or Causes of Loss Form unless specifically deleted, replaced, or modified herein. This endorsement is applicable only to those premises described in the Declarations.

Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.

If coverage is provided elsewhere in this policy for the same loss or damage as the coverage provided under this endorsement, the coverage under this endorsement will apply excess over that other coverage unless otherwise stated. We will not pay more than the actual amount of the covered loss or damage.

<u>Coverage Description</u>	<u>Limit of Insurance</u>
Broadened Premises	Included
Additional Covered Property	Included
Preservation of Property	90 days
Inventory and Appraisal	\$ 5,000
Employee Dishonesty	\$ 25,000
Money Orders and Counterfeit Money	\$ 25,000
Lost Key Coverage	\$ 2,500
Leasehold Interest	\$ 10,000
Contract Penalty Clause	\$ 5,000
Contingent Transit	\$ 5,000
Lost Lease Coverage – Lessors Interest	\$ 5,000
Tenant Move Back Coverage	\$ 5,000
Manufacturers Consequential Loss Assumption	\$ 25,000
Forgery or Alteration	\$ 25,000
Real Property of Others Required by Contract	\$ 25,000
Electronic Data	\$ 25,000
Foundations	Included
Debris Removal	\$ 25,000
Fire Department Service Charge	\$ 25,000
Pollutant Clean Up and Removal	\$ 25,000
Newly Acquired or Constructed Property	180 days
Buildings	\$ 500,000
Business Personal Property	\$ 250,000
Personal Effects and Property of Others	\$ 10,000
Valuable Papers and Records (Other Than Electronic Data)	
On Premises	\$100,000
Off Premises	\$ 5,000
Property Off-Premises (Including while in Transit)	\$100,000
Electronic Data in Transit	\$ 5,000
Outdoor Property	\$ 25,000
Accounts Receivable	
On Premises	\$100,000
Off Premises	\$ 5,000
Arson Reward (Not available in New York)	\$ 25,000
Back-up of Sewers or Drains	\$ 10,000

Extra Expense	\$ 10,000
<u>Coverage Description</u>	<u>Limit of Insurance</u>
Fine Arts	\$ 25,000
Fire Protective Devices	\$ 10,000
Loss of Refrigeration	\$ 25,000
Computer Equipment	\$ 25,000
Laptop/Portable Computers	\$ 5,000
Lock Replacement	\$ 2,500
Money and Securities	
Inside the Premises	\$ 25,000
Outside the Premises	\$ 25,000
Off-Premises Services Interruption	\$ 10,000
Consequential Loss	\$ 10,000
Business Income	\$ 10,000
Business Income – Utility Services Interruption	\$ 1,000
Business Income – Support Property	\$ 5,000
Employee Tools Coverage	\$ 5,000
Salespersons Samples	\$ 5,000
Loss to Pair or Set	Included
Business Personal Property Limit Seasonal Increase	25%
Appurtenant Structures	
Buildings	\$ 50,000
Business Personal Property	\$ 5,000
Signs (Attached)	\$ 25,000
Special Deductible Provision	Included
Waiver of Coinsurance on losses \$10,000 or less	Included
Brands and Labels	\$ 25,000
Ordinance or Law	25% of the Building Limit subject to \$100,000 maximum
Manufacturers Selling Price	Included
Dies, Patterns, Molds and Forms	Included in Business Personal Property Limit

A. The following changes apply to Section **A. COVERAGE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

1. Broadened Premises

The **within 100 feet of the described premises** description stated in Paragraph **A.1.a.(5)(b), Building**, Paragraph **A.1.b., Your Business Personal Property**, Paragraph **A.1.c.(2), Personal Property of Others** and Paragraph **A.5., Coverage Extensions** is deleted and replaced by **within 1000 feet of the described premises**.

2. Additional Covered Property

The following are added to item **a. Building** of Paragraph **1. Covered Property**:

- (6)** Bridges, roadways, walks, patios or other paved surfaces;
- (7)** Retaining walls (except retaining walls used to contain water) that are not part of a building.

Item 6 listed above is deleted from paragraph **2. Property Not Covered**.

Item I. of paragraph 2., Property Not Covered is deleted and replaced by the following:

- I. Retaining walls used to contain water.

3. Paragraph A.4. Additional Coverages is amended as follows:

b. Preservation of Property

The 30 day limitation in paragraph **A.4.b.(2)** is increased to 90 days.

4. The following are added to paragraph **A.4. Additional Coverages**:

g. Inventory and Appraisal

We will pay up to \$2,500 for inventory costs and \$2,500 for appraisal costs due to loss or damage as a result of a Covered Cause of Loss to covered property. We will only pay if the costs are incurred and are reasonable and necessary to establish the amount of the loss. Attorney or public adjuster fees are not covered costs under this section.

h. Employee Dishonesty

- 1) We will pay for direct loss of or damage to business personal property, including money and securities, resulting from dishonest acts committed by any of your employees acting alone, or in collusion with other persons (except you or your partner) with the manifest intent to:
 - a) Cause you to sustain loss or damage; and
 - b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - i) Any employee; or
 - ii) Any other person or organization.
- 2) We will not pay for loss or damage:
 - a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
 - b) The only proof of which as to its existence or amount is dependent upon:
 - i) An inventory computation; or
 - ii) A profit and loss computation.
- 3) The most we will pay for loss or damage in any one occurrence is \$25,000.
- 4) All loss or damage:
 - a) Caused by one or more persons; or
 - b) Involving a single act or series of related acts; is considered one occurrence.
- 5) If any loss is covered:
 - a) Partly by this insurance; and
 - b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest,

the most we will pay is the larger amount recoverable under this insurance or the prior insurance.
- 6) We will pay 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.

- 7) This Additional Coverage does not apply to the dishonest act of any employee that occurs after the discovery by:
 - a) You; or
 - b) Any of your partners, officers, directors or trustees not in collusion with the employeeof any dishonest act committed by that employee whether before or after becoming employed by you.
- 8) Will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- 9) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
 - (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- 10) The insurance under paragraph (9) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
 - (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.

Coverage provided under this Additional Coverage is subject to a Deductible equal to the Property Deductible shown in the Declarations.

"Employee" means:

- 1) Any natural person:
 - a. While in your service and for 30 days after termination of service; and
 - b. Whom you compensate directly by salary, wages or commissions; and
 - c. Whom you have the right to direct and control while performing services for you; or
- 2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

But "employee" does not mean any:

- 1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- 2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

i. Money Orders and Counterfeit Money

We will pay for your loss when you accept in good faith:

- 1) Any money order in exchange for goods or services if the money order is not paid when presented to the issuer; or

- 2) Counterfeit U.S. or Canadian paper money in the regular course of business.

The most we will pay under this additional coverage is \$25,000 in any one occurrence.

j. Lost Key Coverage

We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks, including the cost of their installation.

The most we will pay for loss or damage under this coverage is \$2,500 in any one occurrence.

k. Leasehold Interest

We will pay for loss of "tenants lease interest" you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss or damage at a premises described in the Declarations due to a Covered Cause of Loss.

"Tenants lease interest" means the difference between the rent you will pay under a new lease at the described premises; or elsewhere, and the rent you now pay.

The most we will pay for such loss is the least of:

- a) The total difference in rent based on the period of time remaining under your current lease; or
- b) The total difference in rent for one year; or
- c) \$10,000.

l. Contract Penalty Clause

We will pay the contract penalties you are required to pay to your customers as a result of any written clause in your contract for failure to timely deliver your product or service according to contract terms, provided the contract was executed prior to the loss or damage. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property. The most we will pay for penalties for all contracts in any one occurrence is \$5,000.

m. Contingent Transit

We cover the goods you sell to others which are shipped to them at their risk of loss, but only if you cannot collect on the bill of sale because:

- 1) The goods have been damaged by a Covered Cause of Loss applying to your business personal property; and
- 2) your customer has refused or is unable to pay.

If this occurs, we will adjust the loss as if this were your property. The most we will pay for loss or damage in any one occurrence is \$5,000.

Coverage provided under this Additional Coverage is subject to a deductible equal to the Property Deductible shown in the Declarations.

n. Lost Lease Coverage – Lessors Interest

If the Declarations show you have Business Income Coverage, the form is amended to include the following:

- 1) We will pay for loss you sustain due to the cancellation of lease contracts by your tenants when the reason for cancellation of the lease is direct physical loss or damage to the leased premises caused by or resulting from a Covered Cause of Loss during the policy period.
- 2) We will not pay for any loss caused by:
 - a) Your canceling the lease;
 - b) The suspension, lapse or cancellation of any license; or
 - c) Any other consequential loss.
- 3) The most we will pay under this coverage is:
 - a) The difference between the rent actually paid at the described premises and the anticipated rental value of the described premises that you lease for:
 - i) 12 months immediately following the period of restoration; or
 - ii) for the period beginning with the end of the period of restoration and ending with the normal expiration date of each canceled lease; or
 - iii) \$5,000 at any one location,whichever is less.

o. Tenant Move Back Coverage

We will pay expenses incurred by you for "Covered Move Back Costs" of tenants who temporarily vacate a portion of a covered building property at the premises described in the Declarations. The vacancy must have occurred while the portion of the covered building property rented by the tenant could not be occupied due to direct physical loss or damage to your Covered Property caused by or resulting from any Covered Cause of Loss during the policy period. The move back must take place within 60 days after the portion of the covered building property rented by the tenant has been repaired or rebuilt and is ready for occupancy.

We will pay for "Covered Move Back Costs" whether or not the tenant(s) move back before the expiration date of this policy.

"Covered Move Back Costs" under this endorsement means documented, reasonable and necessary:

- 1) Costs of packing, insuring and carting business personal property;
- 2) Costs of re-establishing electric utility services, less refunds from discontinued services;
- 3) Costs of assembling and setting up fixtures and equipment; and
- 4) Costs to unpack and re-shelve stock and supplies.
- 5) "Covered Move Back Costs" does not include:
 - a) Loss caused by the termination of a lease or other agreement; or
 - b) Security deposits or other payments, forfeitures or penalties made to the landlord or lessor of other premises.

The most we will pay for "Covered Move Back Costs" is \$5,000 resulting from any one occurrence.

p. Manufacturers Consequential Loss Assumption

We will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in the process of manufacture at the described premises.

The most we will pay in any one occurrence is \$25,000.

q. Forgery or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent. We will pay for loss 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.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, employees, managers, members, officers, directors or trustees whether acting alone or in collusion with others.
- (5) The most we will pay for all loss, including legal expenses, under this Additional Coverage is \$25,000.

"Money" means:

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

5. Real Property of Others Required by Contract

The following is added to item **b. Your Business Personal Property** of Paragraph 1. **Covered Property**:

- (8) Real Property coverage including but not limited to building, doors and windows you are responsible for due to contract or lease agreement.

The most we will pay for loss or damage to covered property is \$25,000.

6. Electronic Data

Item **f.(4) Electronic Data** of paragraph 4. **Additional Coverages** is deleted and replaced by the following:

(4) The most we will pay under this Additional Coverage – Electronic Data is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

7. Foundations

Item **g.** is deleted in its entirety from Paragraph **2.**, **Property Not Covered.**

8. Debris Removal

Paragraph A.4.a.(4) is deleted and replaced by the following:

- (4)** We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

9. Fire Department Service Charge

Item **c.** **Fire Department Service Charge** of Paragraph **4. Additional Coverages** is deleted and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

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

No deductible applies to this Additional Coverage.

10. Pollutant Clean Up and Removal

Item **d.** **Pollutant Clean Up and Removal** of Paragraph **4. Additional Coverages** is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

11. Newly Acquired or Constructed Property

Item a. **Newly Acquired or Constructed Property** of Paragraph 5. **Coverage Extensions** is deleted and replaced by the following:

(1) Buildings

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

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

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

(2) Your Business Personal Property

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

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

(b) This Extension does not apply to:

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

(3) Period of Coverage

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

- (a) This policy expires;
- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

12. Personal Effects and Property of Others

Item **b. Personal Effects and Property of Others** of Paragraph **5. Coverage Extensions** is amended as follows:

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

13. Valuable Papers and Records (Other Than Electronic Data)

Item **c. (4) Valuable Papers and Records (Other Than Electronic Data)** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$100,000 at each described premises or \$5,000 if it is not at the 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.

14. Property Off-Premises

Item **d. Property Off-Premises** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

- (1)** You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises if it is:
- (a)** Temporarily at a location you do not own, lease or operate;
 - (b)** In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c)** At any fair, trade show or exhibition

This Extension applies only if loss or damage is caused by a Covered Cause of Loss. This extension does **not** apply to property in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

- (2)** You may extend the insurance provided by this Coverage Form to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. Loss or damage must be caused by or result from one of the following causes of loss:
- (a)** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (b)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. Collision does not mean the vehicle's contact with the roadbed.
 - (c)** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible signs of forced entry.
- (3)** The most we will pay for loss or damage under this Extension is \$100,000.
- (4)** Coverage under this Extension is extended to cover electronic data in transit. Under this Extension, electronic data has the meaning described in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Property Not Covered – Electronic Data. The most we will pay for loss or damage to electronic data under this Extension is \$5,000 for all loss or damage sustained in any one

policy year, regardless of the number of occurrences of loss or damage or computer systems involved. This \$5,000 limit is part of and not in addition to the \$25,000 limit in paragraph **A.4.f. Electronic Data** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

15. Outdoor Property

Item **e. Outdoor Property** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, lighting, lighting standards, radio and television antennas, satellite dish, signs (other than signs attached to buildings), playground equipment, scoreboards, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

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

16. The following are added to Paragraph **5. Coverage Extensions**:

g. 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 the loss or damage; and
 - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;
- that result from a Covered Cause of Loss to your records of accounts receivable.

The most we will pay for loss at the described premises under this Extension is \$100,000. The most we will pay for loss away from the described premises under this Extension is \$5,000.

h. Arson Reward (Not available in New York)

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

i. Back-Up of Sewers or Drains

We cover direct physical loss or damage caused by water:

- (1) which backs up through sewers or drains; or
- (2) which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

This coverage does not apply if the loss or damage is caused by your negligence.

The most we will pay for loss or damage under this Coverage Extension is \$10,000.

j. Extra Expense

We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to the property at the premises described in the Declarations, including personal property in the open or in a vehicle, within 1,000 feet of the premises, caused by or resulting from any Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 1000 feet.

The following definitions are added as respects this Coverage Extension:

(1) 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:

(a) To avoid or minimize the suspension of business and to continue operations:

- 1. At the described premises; or
- 2. At replacement premises or at temporary locations, including:
 - A. Relocation expenses; or
 - B. Costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue operations.

- (c) 1. To repair or replace any property; or
- 2. To research, replace or restore the lost information on damaged valuable papers and records; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension .

(2) Operations mean the type of your business activities occurring at the described premises.

(3) Period of Restoration means the period of time that:

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

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

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

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

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

The most we will pay for loss under this Extension is \$10,000.

k. Fine Arts

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

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

- (1) While fine arts are at any fair or on exhibition;
- (2) Any repairing, restoration or retouching process;
- (3) Insects, birds, rodents or other animals;
- (4) Wear and tear;
- (5) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
- (6) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

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

l. Fire Protective Devices

You may extend the insurance provided by this Coverage Form to apply to recharging or refilling of your fire protective devices that are permanently installed in buildings at the described premises when such devices have been discharged by accident or after being used in fighting a fire. This Extension does not apply to periodic recharge or refilling.

The most we will pay under this Extension is \$10,000 for each separate 12-month period of this policy.

m. Loss of Refrigeration

You may extend the insurance provided by this Coverage Form to apply to direct physical loss of or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment resulting from:

- (1) The fluctuation or total interruption of electrical power, either on or off the described premises, due to conditions beyond your control; or
- (2) Mechanical failure of any refrigeration or cooling apparatus or equipment (on premises).

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

n. Computer Equipment

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "computer equipment" owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "laptop/portable computers" owned by you and in your care, custody and control or in the care, custody or control of your employee.

(1) Property Not Covered

We will not cover the following kinds of property under this Extension:

- (a)** Property which you rent or lease to others;
- (b)** Software or other electronic data ;
- (c)** Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents.
- (d)** "Computer equipment" held for sale by you;
- (e)** "Computer equipment" of others on which you are performing repairs or work;
- (f)** "Computer equipment" or that is part of any:
 - (i)** Production or processing equipment (such as CAD, CAM or CNC machines);
 - (ii)** Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm systems); or
 - (iii)** Communication equipment (such as telephone systems).
- (g)** Property that is covered under another coverage form of this or any other policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

(2) Property In Transit

We will pay for your "computer equipment", or "laptop/portable computer" while in transit.

- (3)** Section **B. Exclusions, 1.b. Earth Movement** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (4)** Section **B. Exclusions, 1.e. Utility Services** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (5)** Section **B. Exclusions, 1.g. Water** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (6)** The artificially generated electrical current exclusion, Item **B.2.a.** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (7)** The mechanical breakdown exclusion, Item **B.2.d.(6)** of the CAUSES OF LOSS - SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted and replaced by the following:
 - (6)** Mechanical breakdown, failure or derangement, except:

- (a) This exclusion does not apply for the accidental loss or damage caused by a resulting fire or explosion.
- (b) This exclusion does not apply if any of the above is sudden and accidental and manifests itself by physical damage to "computer equipment" which requires repair or replacement.

(8) Loss Payment will be determined as follows:

"Computer equipment" or "laptop/portable computers"

We will pay the least of the following amounts:

- (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
- (ii) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

"Computer Equipment" means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

"Laptop/Portable Computers" means "computer equipment" and accessories that are designed to function with it that can easily be carried and is designed to be used at more than one location.

The most we will pay for loss or damage to "computer equipment" under this Extension is \$25,000.

The most we will pay under this Extension for loss or damage to "laptop/portable computers" while away from the described premises is \$5,000.

o. Lock Replacement

You may extend the insurance provided by this Coverage Form to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the described premises.

The most we will pay for loss under this Coverage Extension is \$2,500 in any one occurrence.

p. Money and Securities

(1) You may extend the insurance that applies to Business Personal Property to apply to 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, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of “money” deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) \$25,000 for Inside the Premises for “money” and “securities” while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) \$25,000 for Outside the Premises for “money” and “securities” while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all “money” and “securities” so we can verify the amount of any loss or damage.
- (6) “**Money**” means:
- (a) Currency, coins and bank notes in current use and having a face value; and
 - (b) Travelers checks, register checks and money orders held for sale to the public.
- (7) “**Securities**” means negotiable and non-negotiable instruments or contracts representing either “money” or other property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include “money”.

q. Off-Premises Services Interruption

You may extend the insurance provided by this Coverage Form to apply to 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 following property not on the described premises:

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

Pumping stations; and

Water mains.

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.

It does not include above ground communication 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.

It does not include above ground transmission or distribution lines.

The most we will pay under this Extension is \$10,000.

r. Consequential Loss

We will pay up to \$10,000 for the consequential loss of undamaged business personal property.

Consequential Loss, as applicable to this Coverage Extension is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage to another part or parts of the product caused by a Covered Cause of Loss.

s. Business Income

We will pay up to \$10,000 for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration. The suspension must be caused by direct physical loss or damage to your covered Building or Business Personal Property at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 100 feet.

The COINSURANCE Additional Condition does not apply as respects this Coverage Extension.

The following definitions are added as respects this Coverage Extension:

- (1) Business Income means the:
 - (a) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - (b) Continuing normal operating expenses incurred, including payroll.
- (2) Operations means the type of your business activities occurring at the described premises.
- (3) Period of Restoration means the period of time that:
 - (a) Begins 72 hours after the time of direct physical loss or damage for Business Income coverage caused by or resulting from a Covered Cause of Loss at the described premises; and
 - (b) Ends on the earlier of:
 1. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 2. The date when business is resumed at a new permanent location.

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

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

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

t. Business Income – Utility Services Interruption

We will pay up to \$1,000 in any one occurrence for the actual loss of Business Income at the described premises 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 following types of property located outside of a covered building described in the Declarations:

- (i) Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - i. Pumping stations; and
 - ii. Water mains.
- (ii) Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - i. Communication transmission lines, including optic fiber transmission lines;
 - ii. Coaxial cables; and
 - iii. Microwave radio relays except satellites.

It does not include above ground communication lines.

- (iii) Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - i. Utility generating plants;
 - ii. Switching stations;
 - iii. Substations;

- iv. Transformers; and
- v. Transmission lines.

It does not include above ground transmission or distribution lines.

u. Business Income – Support Property

If the Declarations show you have Business Income Coverage, the following Additional Coverage is added:

We will pay for the actual loss of business income you sustain due to direct physical loss or damage at the premises of an “income support property” not described in the Declarations, caused by or resulting from any Covered Cause of Loss. “Income support property” means property operated by others on whom you depend to:

- 1) deliver material or services to you, or to others for your account;
- 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.

The most we will pay for this coverage is \$5,000 in any one occurrence.

v. Employee Tools Coverage

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to tools owned by your employees while used in your business or when in your building.

However, we will not pay for a loss that is caused by or results from theft or attempted theft of employee tools unless such loss occurs:

- 1) At a building and there is visible evidence of forcible entry or exit on your building; or
- 2) From a locked vehicle and there is visible evidence of forcible entry.

The value of Employee Tools will be determined at actual cash value as of the time of loss or damage.

The most we will pay with respect to employee tools is \$5,000 in any one occurrence.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

w. Salespersons Samples

You may extend the insurance that applies to Your Business Personal Property to apply to Salespersons' Samples of your stock in trade, including their containers, while they are in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

The most we will pay for loss to Salespersons Samples in any one occurrence is \$5,000 for property in the custody of any one salesperson.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

x. Loss to Pair or Set

If there is a loss or damage by a Covered Cause of Loss to covered property which is a part of a pair or set, we will pay; at our option, for:

- 1) The cost to repair or replace any part to restore the pair or set to its value before the loss; or
- 2) The difference between the value of the pair or set before and after the loss; or
- 3) The full actual cash value for the pair or set at the time of loss, and you will give us the remainder of the pair or set.

y. Business Personal Property Limit Seasonal Increase

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 90% of your average monthly value during the lesser of:

- 1) The 12-month period immediately preceding the date the loss or damage occurs; or
- 2) The period of time you have been in business as of the date loss occurs.

z. Appurtenant Structures

You may extend the insurance that applies to Building to apply to your storage buildings, your garages and your other appurtenant structures, except outdoor fixtures, at the described premises. The most we will pay for Building loss or damage under this Extension is \$50,000.

You may extend the insurance that applies to Business Personal Property to apply to such property in your storage buildings, your garages and your other appurtenant structures at the described premises. The most we will pay for Business Personal Property loss or damage under this Extension is \$5,000.

- B.** The second paragraph of Section **C. LIMITS OF INSURANCE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is deleted and replaced by the following:

Signs (Attached)

The most we will pay for loss or damage to outdoor signs attached to buildings is \$25,000 per sign in any one occurrence.

- C.** The following is added to Section **D. DEDUCTIBLE**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

Special Deductible Provision

We will deduct from any loss or damage under the Coverage Extensions in any one occurrence the Deductible shown in the Declarations or \$500, whichever is less.

This deductible applies to all Coverage Extensions, except for:

- a. Newly Acquired or Constructed Property; and
- e. Outdoor Property

D. Coinsurance

Section **F. ADDITIONAL CONDITIONS**, Paragraph **1. Coinsurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM applies only when the total loss or damage to all Covered Property in any one occurrence is greater than \$10,000.

E. Brands and Labels

The following is added to Section **E. LOSS CONDITIONS**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM

8. Brands and Labels

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

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

The most we will pay under this coverage is \$25,000.

F. Ordinance or Law

1. If a Covered Cause of Loss occurs to covered Building property, we will pay:

- a. For the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at a described premises; and
 - (iii) Is in force at the time of loss.
- b. The cost to demolish and clear the site of undamaged parts of the property caused by the enforcement of building, zoning or land use ordinance or law.

The COINSURANCE Additional Condition does not apply to this demolition cost coverage.

- c. The increased cost to:
 - (i) Repair or reconstruct damaged portions of that Building property; and/or

- (ii) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

When the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The COINSURANCE Additional Condition does not apply to this increased cost of construction coverage.

- 2. We will not pay the increased costs of construction under this coverage:
 - a. Until the property is actually repaired or replaced, at the same or another premises; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- 3. We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- 4. The most we will pay under this coverage at each described premises is the lesser of:
 - a. 25% of the Limit of Insurance shown in the Declarations for Building Coverage; or
 - b. \$100,000.
- 5. We will not pay for loss due to any ordinance or law that:
 - a. You were required to comply with before the loss, even if the building was undamaged, and
 - b. You failed to comply with.

- G. The following change is applicable to Section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM .

Manufacturers Selling Price

The following is added to Paragraph **7. Valuation** Loss Condition:

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

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

H. Dies, Patterns, Molds and Forms

Section **C. Limitations**, Paragraph **3.c.** of the CAUSES OF LOSS – SPECIAL FORM is deleted in its entirety.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CUSTOM PROTECTOR ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form or Causes of Loss Form unless specifically deleted, replaced, or modified herein. This endorsement is applicable only to those premises described in the Declarations.

Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.

If coverage is provided elsewhere in this policy for the same loss or damage as the coverage provided under this endorsement, the coverage under this endorsement will apply excess over that other coverage unless otherwise stated. We will not pay more than the actual amount of the covered loss or damage.

<u>Coverage Description</u>	<u>Limit of Insurance</u>
Broadened Premises	Included
Additional Covered Property	Included
Preservation of Property	90 days
Inventory and Appraisal	\$ 5,000
Employee Dishonesty	\$ 25,000
Money Orders and Counterfeit Money	\$ 25,000
Lost Key Coverage	\$ 2,500
Leasehold Interest	\$ 10,000
Contract Penalty Clause	\$ 5,000
Contingent Transit	\$ 5,000
Lost Lease Coverage – Lessors Interest	\$ 5,000
Tenant Move Back Coverage	\$ 5,000
Manufacturers Consequential Loss Assumption	\$ 25,000
Forgery or Alteration	\$ 25,000
Real Property of Others Required by Contract	\$ 25,000
Electronic Data	\$ 25,000
Foundations	Included
Debris Removal	\$ 25,000
Fire Department Service Charge	\$ 25,000
Pollutant Clean Up and Removal	\$ 25,000
Newly Acquired or Constructed Property	180 days
Buildings	\$ 500,000
Business Personal Property	\$ 250,000
Personal Effects and Property of Others	\$ 10,000
Valuable Papers and Records (Other Than Electronic Data)	
On Premises	\$100,000
Off Premises	\$ 5,000
Property Off-Premises (Including while in Transit)	\$100,000
Electronic Data in Transit	\$ 5,000
Outdoor Property	\$ 25,000
Accounts Receivable	
On Premises	\$100,000
Off Premises	\$ 5,000
Arson Reward (Not available in New York)	\$ 25,000

Back-up of Sewers or Drains	\$ 10,000
Extra Expense	\$ 10,000
<u>Coverage Description</u>	<u>Limit of Insurance</u>
Fine Arts	\$ 25,000
Fire Protective Devices	\$ 10,000
Loss of Refrigeration	\$ 25,000
Computer Equipment	\$ 25,000
Laptop/Portable Computers	\$ 5,000
Lock Replacement	\$ 2,500
Money and Securities	
Inside the Premises	\$ 25,000
Outside the Premises	\$ 25,000
Off-Premises Services Interruption	\$ 10,000
Consequential Loss	\$ 10,000
Business Income	\$ 10,000
Business Income – Utility Services Interruption	\$ 1,000
Business Income – Support Property	\$ 5,000
Employee Tools Coverage	\$ 5,000
Salespersons Samples	\$ 5,000
Loss to Pair or Set	Included
Business Personal Property Limit Seasonal Increase	25%
Appurtenant Structures	
Buildings	\$ 50,000
Business Personal Property	\$ 5,000
Signs (Attached)	\$ 25,000
Special Deductible Provision	Included
Waiver of Coinsurance on losses \$10,000 or less	Included
Brands and Labels	\$ 25,000
Ordinance or Law	25% of the Building Limit subject to \$100,000 maximum
Manufacturers Selling Price	Included
Dies, Patterns, Molds and Forms	Included in Business Personal Property Limit

A. The following changes apply to Section **A. COVERAGE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and the CONDOMINIUM ASSOCIATION COVERAGE FORM.

1. Broadened Premises

The **within 100 feet of the described premises** description stated in Paragraph **A.1.a.(5)(b), Building**, Paragraph **A.1.b., Your Business Personal Property**, Paragraph **A.1.c.(2), Personal Property of Others** and Paragraph **A.5., Coverage Extensions** is deleted and replaced by **within 1000 feet of the described premises**.

2. Additional Covered Property

The following are added to item **a. Building** of Paragraph **1. Covered Property**:

- (6)** Bridges, roadways, walks, patios or other paved surfaces;
- (7)** Retaining walls (except retaining walls used to contain water) that are not part of a building.

Item 6 listed above is deleted from paragraph **2. Property Not Covered**.

Item I. of paragraph 2., Property Not Covered is deleted and replaced by the following:

- I. Retaining walls used to contain water.

3. Paragraph A.4. Additional Coverages is amended as follows:

b. Preservation of Property

The 30 day limitation in paragraph **A.4.b.(2)** is increased to 90 days.

4. The following are added to paragraph A.4. Additional Coverages:

g. Inventory and Appraisal

We will pay up to \$2,500 for inventory costs and \$2,500 for appraisal costs due to loss or damage as a result of a Covered Cause of Loss to covered property. We will only pay if the costs are incurred and are reasonable and necessary to establish the amount of the loss. Attorney or public adjuster fees are not covered costs under this section.

h. Employee Dishonesty

- 1) We will pay for direct loss of or damage to business personal property, including money and securities, resulting from dishonest acts committed by any of your employees acting alone, or in collusion with other persons (except you or your partner) with the manifest intent to:
 - a) Cause you to sustain loss or damage; and
 - b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - i) Any employee; or
 - ii) Any other person or organization.
- 2) We will not pay for loss or damage:
 - a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
 - b) The only proof of which as to its existence or amount is dependent upon:
 - i) An inventory computation; or
 - ii) A profit and loss computation.
- 3) The most we will pay for loss or damage in any one occurrence is \$25,000.
- 4) All loss or damage:
 - a) Caused by one or more persons; or
 - b) Involving a single act or series of related acts; is considered one occurrence.
- 5) If any loss is covered:
 - a) Partly by this insurance; and
 - b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest,

the most we will pay is the larger amount recoverable under this insurance or the prior insurance.
- 6) We will pay 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.

- 7) This Additional Coverage does not apply to the dishonest act of any employee that occurs after the discovery by:
 - a) You; or
 - b) Any of your partners, officers, directors or trustees not in collusion with the employeeof any dishonest act committed by that employee whether before or after becoming employed by you.
- 8) Will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- 9) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
 - (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- 10) The insurance under paragraph (9) above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
 - (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.

Coverage provided under this Additional Coverage is subject to a Deductible equal to the Property Deductible shown in the Declarations.

"Employee" means:

- 1) Any natural person:
 - a. While in your service and for 30 days after termination of service; and
 - b. Whom you compensate directly by salary, wages or commissions; and
 - c. Whom you have the right to direct and control while performing services for you; or
- 2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises.

But "employee" does not mean any:

- 1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- 2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

i. Money Orders and Counterfeit Money

We will pay for your loss when you accept in good faith:

- 1) Any money order in exchange for goods or services if the money order is not paid when presented to the issuer; or

- 2) Counterfeit U.S. or Canadian paper money in the regular course of business.

The most we will pay under this additional coverage is \$25,000 in any one occurrence.

j. Lost Key Coverage

We will pay for consequential loss to keys and locks if a master key or grand master key is lost or damaged resulting from a Covered Cause of Loss. We will pay for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks, including the cost of their installation.

The most we will pay for loss or damage under this coverage is \$2,500 in any one occurrence.

k. Leasehold Interest

We will pay for loss of "tenants lease interest" you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss or damage at a premises described in the Declarations due to a Covered Cause of Loss.

"Tenants lease interest" means the difference between the rent you will pay under a new lease at the described premises; or elsewhere, and the rent you now pay.

The most we will pay for such loss is the least of:

- a) The total difference in rent based on the period of time remaining under your current lease; or
- b) The total difference in rent for one year; or
- c) \$10,000.

l. Contract Penalty Clause

We will pay the contract penalties you are required to pay to your customers as a result of any written clause in your contract for failure to timely deliver your product or service according to contract terms, provided the contract was executed prior to the loss or damage. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to covered property. The most we will pay for penalties for all contracts in any one occurrence is \$5,000.

m. Contingent Transit

We cover the goods you sell to others which are shipped to them at their risk of loss, but only if you cannot collect on the bill of sale because:

- 1) The goods have been damaged by a Covered Cause of Loss applying to your business personal property; and
- 2) your customer has refused or is unable to pay.

If this occurs, we will adjust the loss as if this were your property. The most we will pay for loss or damage in any one occurrence is \$5,000.

Coverage provided under this Additional Coverage is subject to a deductible equal to the Property Deductible shown in the Declarations.

n. Lost Lease Coverage – Lessors Interest

If the Declarations show you have Business Income Coverage, the form is amended to include the following:

- 1) We will pay for loss you sustain due to the cancellation of lease contracts by your tenants when the reason for cancellation of the lease is direct physical loss or damage to the leased premises caused by or resulting from a Covered Cause of Loss during the policy period.
- 2) We will not pay for any loss caused by:
 - a) Your canceling the lease;
 - b) The suspension, lapse or cancellation of any license; or
 - c) Any other consequential loss.
- 3) The most we will pay under this coverage is:
 - a) The difference between the rent actually paid at the described premises and the anticipated rental value of the described premises that you lease for:
 - i) 12 months immediately following the period of restoration; or
 - ii) for the period beginning with the end of the period of restoration and ending with the normal expiration date of each canceled lease; or
 - iii) \$5,000 at any one location,whichever is less.

o. Tenant Move Back Coverage

We will pay expenses incurred by you for “Covered Move Back Costs” of tenants who temporarily vacate a portion of a covered building property at the premises described in the Declarations. The vacancy must have occurred while the portion of the covered building property rented by the tenant could not be occupied due to direct physical loss or damage to your Covered Property caused by or resulting from any Covered Cause of Loss during the policy period. The move back must take place within 60 days after the portion of the covered building property rented by the tenant has been repaired or rebuilt and is ready for occupancy.

We will pay for “Covered Move Back Costs” whether or not the tenant(s) move back before the expiration date of this policy.

“Covered Move Back Costs” under this endorsement means documented, reasonable and necessary:

- 1) Costs of packing, insuring and carting business personal property;
- 2) Costs of re-establishing electric utility services, less refunds from discontinued services;
- 3) Costs of assembling and setting up fixtures and equipment; and
- 4) Costs to unpack and re-shelve stock and supplies.
- 5) “Covered Move Back Costs” does not include:
 - a) Loss caused by the termination of a lease or other agreement; or
 - b) Security deposits or other payments, forfeitures or penalties made to the landlord or lessor of other premises.

The most we will pay for "Covered Move Back Costs" is \$5,000 resulting from any one occurrence.

p. Manufacturers Consequential Loss Assumption

We will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in the process of manufacture at the described premises.

The most we will pay in any one occurrence is \$25,000.

q. Forgery or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent. We will pay for loss 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.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, employees, managers, members, officers, directors or trustees whether acting alone or in collusion with others.
- (5) The most we will pay for all loss, including legal expenses, under this Additional Coverage is \$25,000.

"Money" means:

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

5. Real Property of Others Required by Contract

The following is added to item **b. Your Business Personal Property** of Paragraph **1. Covered Property** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM as subparagraph **(8)** and to the CONDOMINIUM ASSOCIATION COVERAGE FORM as subparagraph **(4)**:

Real Property including but not limited to building, doors and windows which are your responsibility to insure under any contract.

The most we will pay for loss or damage to covered property is \$25,000.

6. Electronic Data

Item **f.(4) Electronic Data** of paragraph **4. Additional Coverages** is deleted and replaced by the following:

(4) The most we will pay under this Additional Coverage – Electronic Data is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

7. Foundations

Item **g.** is deleted in its entirety from Paragraph **2., Property Not Covered.**

8. Debris Removal

Paragraph A.4.a.(4) is deleted and replaced by the following:

- (4)** We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

9. Fire Department Service Charge

Item **c. Fire Department Service Charge** of Paragraph **4. Additional Coverages** is deleted and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:

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

No deductible applies to this Additional Coverage.

10. Pollutant Clean Up and Removal

Item **d. Pollutant Clean Up and Removal** of Paragraph **4. Additional Coverages** is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

11. Newly Acquired or Constructed Property

Item a. **Newly Acquired or Constructed Property** of Paragraph 5. **Coverage Extensions** is deleted and replaced by the following:

(1) Buildings

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

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

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

(2) Your Business Personal Property

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

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

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

(b) This Extension does not apply to:

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

(3) Period of Coverage

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

- (a) This policy expires;
- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

12. Personal Effects and Property of Others

Item **b. Personal Effects and Property of Others** of Paragraph **5. Coverage Extensions** is amended as follows:

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

13. Valuable Papers and Records (Other Than Electronic Data)

Item **c. (4) Valuable Papers and Records (Other Than Electronic Data)** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$100,000 at each described premises or \$5,000 if it is not at the 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.

14. Property Off-Premises

Item **d. Property Off-Premises** of Paragraph **5. Coverage Extensions** is deleted and replaced by the following:

- (1)** You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises if it is:
- (a)** Temporarily at a location you do not own, lease or operate;
 - (b)** In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c)** At any fair, trade show or exhibition

This Extension applies only if loss or damage is caused by a Covered Cause of Loss. This extension does **not** apply to property in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

- (2)** You may extend the insurance provided by this Coverage Form to apply to your personal property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. Loss or damage must be caused by or result from one of the following causes of loss:
- (a)** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (b)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. Collision does not mean the vehicle's contact with the roadbed.
 - (c)** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible signs of forced entry.
- (3)** The most we will pay for loss or damage under this Extension is \$100,000.

- (4) Coverage under this Extension is extended to cover electronic data in transit. Under this Extension, electronic data has the meaning described in the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Property Not Covered – Electronic Data. The most we will pay for loss or damage to electronic data under this Extension is \$5,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or computer systems involved. This \$5,000 limit is part of and not in addition to the \$25,000 limit in paragraph A.4.f. **Electronic Data** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

15. Outdoor Property

Item e. **Outdoor Property** of Paragraph 5. **Coverage Extensions** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, lighting, lighting standards, radio and television antennas, satellite dish, signs (other than signs attached to buildings), playground equipment, scoreboards, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

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

16. The following are added to Paragraph 5. **Coverage Extensions**:

g. **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 the loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

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

The most we will pay for loss at the described premises under this Extension is \$100,000. The most we will pay for loss away from the described premises under this Extension is \$5,000.

h. **Arson Reward (Not available in New York)**

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

i. **Back-Up of Sewers or Drains**

We cover direct physical loss or damage caused by water:

- (1) which backs up into a building or structure through sewers or drains which are directly connected to a sanitary sewer or septic system; or

- (2) which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

This coverage does not apply if the loss or damage is caused by your negligence.

The most we will pay for loss or damage under this Coverage Extension is \$10,000.

j. Extra Expense

We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to the property at the premises described in the Declarations, including personal property in the open or in a vehicle, within 1,000 feet of the premises, caused by or resulting from any Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 1000 feet.

The following definitions are added as respects this Coverage Extension:

(1) 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:

(a) To avoid or minimize the suspension of business and to continue operations:

- 1. At the described premises; or
- 2. At replacement premises or at temporary locations, including:
 - A. Relocation expenses; or
 - B. Costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue operations.

- (c) 1. To repair or replace any property; or
2. To research, replace or restore the lost information on damaged valuable papers and records; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Extension .

(2) Operations mean the type of your business activities occurring at the described premises.

(3) Period of Restoration means the period of time that:

(a) Begins with the date of direct physical loss or damage caused by or resulting from a Covered Cause of Loss at the described premises; and

(b) Ends on the earlier of:

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

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

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

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

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

The most we will pay for loss under this Extension is \$10,000.

k. Fine Arts

You may extend the insurance that applies to your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

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

- (1) While fine arts are at any fair or on exhibition;
- (2) Any repairing, restoration or retouching process;
- (3) Insects, birds, rodents or other animals;
- (4) Wear and tear;
- (5) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
- (6) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

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

l. Fire Protective Devices

You may extend the insurance provided by this Coverage Form to apply to recharging or refilling of your fire protective devices that are permanently installed in buildings at the described premises when such devices have been discharged by accident or after being used in fighting a fire. This Extension does not apply to periodic recharge or refilling.

The most we will pay under this Extension is \$10,000 for each separate 12-month period of this policy.

m. Loss of Refrigeration

You may extend the insurance provided by this Coverage Form to apply to direct physical loss of or damage to property owned by you and used in your business or owned by others and in your care, custody or control, contained in any refrigeration or cooling apparatus or equipment resulting from:

- (1) The fluctuation or total interruption of electrical power, either on or off the described premises, due to conditions beyond your control; or
- (2) Mechanical failure of any refrigeration or cooling apparatus or equipment (on premises).

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

n. Computer Equipment

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to “computer equipment” owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to “laptop/portable computers” owned by you and in your care, custody and control or in the care, custody or control of your employee.

(1) Property Not Covered

We will not cover the following kinds of property under this Extension:

- (a) Property which you rent or lease to others;
- (b) Software or other electronic data ;
- (c) Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents.
- (d) “Computer equipment” held for sale by you;
- (e) “Computer equipment” of others on which you are performing repairs or work;
- (f) “Computer equipment” or that is part of any:
 - (i) Production or processing equipment (such as CAD, CAM or CNC machines);
 - (ii) Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm systems); or
 - (iii) Communication equipment (such as telephone systems).
- (g) Property that is covered under another coverage form of this or any other policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

(2) Property In Transit

We will pay for your “computer equipment”, or “laptop/portable computer” while in transit.

- (3) Section **B. Exclusions, 1.b. Earth Movement** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (4) Section **B. Exclusions, 1.e. Utility Services** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (5) Section **B. Exclusions, 1.g. Water** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.
- (6) The artificially generated electrical current exclusion, Item **B.2.a.** of the CAUSES OF LOSS – SPECIAL FORM, as respects **A.5.n. Computer Equipment** , is deleted in its entirety.

(7) The mechanical breakdown exclusion, Item **B.2.d.(6)** of the CAUSES OF LOSS - SPECIAL FORM, as respects **A.5.n. Computer Equipment**, is deleted and replaced by the following:

(6) Mechanical breakdown, failure or derangement, except:

- (a) This exclusion does not apply for the accidental loss or damage caused by a resulting fire or explosion.
- (b) This exclusion does not apply if any of the above is sudden and accidental and manifests itself by physical damage to “computer equipment” which requires repair or replacement.

(8) Loss Payment will be determined as follows:

“Computer equipment” or “laptop/portable computers”

We will pay the least of the following amounts:

- (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
- (ii) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

“Computer Equipment” means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

“Laptop/Portable Computers” means “computer equipment” and accessories that are designed to function with it that can easily be carried and is designed to be used at more than one location.

The most we will pay for loss or damage to “computer equipment” under this Extension is \$25,000.

The most we will pay under this Extension for loss or damage to “laptop/portable computers” while away from the described premises is \$5,000.

o. Lock Replacement

You may extend the insurance provided by this Coverage Form to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the described premises.

The most we will pay for loss under this Coverage Extension is \$2,500 in any one occurrence.

p. Money and Securities

- (1) You may extend the insurance that applies to Business Personal Property to apply to 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, resulting directly from:

- (a) Theft, meaning any act of stealing;
 - (b) Disappearance; or
 - (c) Destruction.
- (2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of “money” deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) \$25,000 for Inside the Premises for “money” and “securities” while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) \$25,000 for Outside the Premises for “money” and “securities” while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all “money” and “securities” so we can verify the amount of any loss or damage.
- (6) “**Money**” means:
- (a) Currency, coins and bank notes in current use and having a face value; and
 - (b) Travelers checks, register checks and money orders held for sale to the public.
- (7) “**Securities**” means negotiable and non-negotiable instruments or contracts representing either “money” or other property and includes:
- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include “money”.

q. Off-Premises Services Interruption

You may extend the insurance provided by this Coverage Form to apply to 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 following property not on the described premises:

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

Pumping stations; and

Water mains.

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.

It does not include above ground communication 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.

It does not include above ground transmission or distribution lines.

The most we will pay under this Extension is \$10,000.

r. **Consequential Loss**

We will pay up to \$10,000 for the consequential loss of undamaged business personal property.

Consequential Loss, as applicable to this Coverage Extension is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage to another part or parts of the product caused by a Covered Cause of Loss.

s. **Business Income**

We will pay up to \$10,000 for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration. The suspension must be caused by direct physical loss or damage to your covered Building or Business Personal Property at premises that are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises; and
- (ii) Your personal property in the open (or in a vehicle) within 100 feet.

The COINSURANCE Additional Condition does not apply as respects this Coverage Extension.

The following definitions are added as respects this Coverage Extension:

- (1) Business Income means the:
 - (a) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - (b) Continuing normal operating expenses incurred, including payroll.
- (2) Operations means the type of your business activities occurring at the described premises.
- (3) Period of Restoration means the period of time that:
 - (a) Begins 72 hours after the time of direct physical loss or damage for Business Income coverage caused by or resulting from a Covered Cause of Loss at the described premises; and
 - (b) Ends on the earlier of:
 - 1. The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - 2. The date when business is resumed at a new permanent location.

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

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

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

t. Business Income – Utility Services Interruption

We will pay up to \$1,000 in any one occurrence for the actual loss of Business Income at the described premises 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 following types of property located outside of a covered building described in the Declarations:

- (i) **Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - i. Pumping stations; and
 - ii. Water mains.
- (ii) **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - i. Communication transmission lines, including optic fiber transmission lines;
 - ii. Coaxial cables; and
 - iii. Microwave radio relays except satellites.

It does not include above ground communication lines.

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

- i. Utility generating plants;
- ii. Switching stations;
- iii. Substations;
- iv. Transformers; and
- v. Transmission lines.

It does not include above ground transmission or distribution lines.

u. Business Income – Support Property

If the Declarations show you have Business Income Coverage, the following Additional Coverage is added:

We will pay for the actual loss of business income you sustain due to direct physical loss or damage at the premises of an “income support property” not described in the Declarations, caused by or resulting from any Covered Cause of Loss. “Income support property” means property operated by others on whom you depend to:

- 1) deliver material or services to you, or to others for your account;
- 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.

The most we will pay for this coverage is \$5,000 in any one occurrence.

v. Employee Tools Coverage

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage by a Covered Cause of Loss to tools owned by your employees while used in your business or when in your building.

However, we will not pay for a loss that is caused by or results from theft or attempted theft of employee tools unless such loss occurs:

- 1) At a building and there is visible evidence of forcible entry or exit on your building; or
- 2) From a locked vehicle and there is visible evidence of forcible entry.

The value of Employee Tools will be determined at actual cash value as of the time of loss or damage.

The most we will pay with respect to employee tools is \$5,000 in any one occurrence.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

w. Salespersons Samples

You may extend the insurance that applies to Your Business Personal Property to apply to Salespersons' Samples of your stock in trade, including their containers, while they are in the care, custody or control of your sales representative(s), agent(s) or yourself while acting as a sales representative.

The most we will pay for loss to Salespersons Samples in any one occurrence is \$5,000 for property in the custody of any one salesperson.

Coverage provided under this Coverage Extension is subject to a Deductible equal to the Property Deductible shown in the Declarations.

x. Loss to Pair or Set

If there is a loss or damage by a Covered Cause of Loss to covered property which is a part of a pair or set, we will pay; at our option, for:

- 1) The cost to repair or replace any part to restore the pair or set to its value before the loss; or
- 2) The difference between the value of the pair or set before and after the loss; or
- 3) The full actual cash value for the pair or set at the time of loss, and you will give us the remainder of the pair or set.

y. Business Personal Property Limit Seasonal Increase

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 90% of your average monthly value during the lesser of:

- 1) The 12-month period immediately preceding the date the loss or damage occurs; or
- 2) The period of time you have been in business as of the date loss occurs.

z. Appurtenant Structures

You may extend the insurance that applies to Building to apply to your storage buildings, your garages and your other appurtenant structures, except outdoor fixtures, at the described premises. The most we will pay for Building loss or damage under this Extension is \$50,000.

You may extend the insurance that applies to Business Personal Property to apply to such property in your storage buildings, your garages and your other appurtenant structures at the described premises. The most we will pay for Business Personal Property loss or damage under this Extension is \$5,000.

- B.** The second paragraph of Section **C. LIMITS OF INSURANCE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and the CONDOMINIUM ASSOCIATION COVERAGE FORM is deleted and replaced by the following:

Signs (Attached)

The most we will pay for loss or damage to outdoor signs attached to buildings is \$25,000 per sign in any one occurrence.

- C. The following is added to Section **D. DEDUCTIBLE** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and the CONDOMINIUM ASSOCIATION COVERAGE FORM:

Special Deductible Provision

We will deduct from any loss or damage under the Coverage Extensions in any one occurrence the Deductible shown in the Declarations or \$500, whichever is less.

This deductible applies to all Coverage Extensions, except for:

- a. Newly Acquired or Constructed Property; and
- e. Outdoor Property

D. Coinsurance

Section **F. ADDITIONAL CONDITIONS**, Paragraph **1. Coinsurance** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and the CONDOMINIUM ASSOCIATION COVERAGE FORM applies only when the total loss or damage to all Covered Property in any one occurrence is greater than \$10,000.

E. Brands and Labels

The following is added to Section **E. LOSS CONDITIONS**, of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM

8. Brands and Labels

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

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

The most we will pay under this coverage is \$25,000.

F. Ordinance or Law

1. If a Covered Cause of Loss occurs to covered Building property, we will pay:
 - a. For the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
 - (i) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
 - (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at a described premises; and

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

- b. The cost to demolish and clear the site of undamaged parts of the property caused by the enforcement of building, zoning or land use ordinance or law.

The COINSURANCE Additional Condition does not apply to this demolition cost coverage.

- c. The increased cost to:

(i) Repair or reconstruct damaged portions of that Building property; and/or

(ii) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

When the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

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

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

The COINSURANCE Additional Condition does not apply to this increased cost of construction coverage.

2. We will not pay the increased costs of construction under this coverage:

a. Until the property is actually repaired or replaced, at the same or another premises; and

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

3. We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

4. The most we will pay under this coverage at each described premises is the lesser of:

a. 25% of the Limit of Insurance shown in the Declarations for Building Coverage; or

b. \$100,000.

5. We will not pay for loss due to any ordinance or law that:

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

b. You failed to comply with.

- G.** The following change is applicable to Section **E. LOSS CONDITIONS** of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM .

Manufacturers Selling Price

The following is added to Paragraph **7. Valuation** Loss Condition:

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

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

H. Dies, Patterns, Molds and Forms

Section **C. Limitations**, Paragraph **3.c.** of the CAUSES OF LOSS – SPECIAL FORM is deleted in its entirety.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EACH LOCATION
GENERAL AGGREGATE LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by “occurrences” under **COVER-AGE A (SECTION I)**, and for all medical expenses caused by accidents under **COVER-AGE C (SECTION I)**, which can be attributed only to operations at a single “location” owned by or rented to you:
1. A separate Each Location General Aggregate Limit applies to each “location”, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
 2. The Each Location General Aggregate Limit is the most we will pay for the sum of all damages under **COVER-AGE A**, except damages because of “bodily injury” or “property damage” included in the “products-completed operations hazard”, and for medical expenses under **COVER-AGE C** regardless of the number of:
 - a. Insureds;
 - b. Claims made or “suits” brought; or
 - c. Persons or organizations making claims or bringing “suits”.
 3. Any payments made under **COVER-AGE A** for damages or under **COVER-AGE C** for medical expenses shall reduce the Each Location General Aggregate Limit for that “location”. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Each Location General Aggregate Limit for any other “location”.
 4. The limits shown in the Declarations for Each Occurrence, Fire Damage and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Each Location General Aggregate Limit.
- B.** For all sums which the insured becomes legally obligated to pay as damages caused by “occurrences” under **COVER-AGE A (SECTION I)**, and for all medical expenses caused by accidents under **COVER-AGE C (SECTION I)**, which cannot be attributed only to operations at a single “location” owned by or rented to you:
1. Any payments made under **COVER-AGE A** for damages or under **COVER-AGE C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit, whichever is applicable; and
 2. Such payments shall not reduce any Each Location General Aggregate Limit.
- C.** When coverage for liability arising out of the “products-completed operations hazard” is provided, any payments for damages because of “bodily injury” or “property damage” included in the “products-completed operations hazard” will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Each Location General Aggregate Limit.
- D.** For the purposes of this endorsement, the **Definitions** Section is amended by the addition of the following definition:
“Location” means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
- E.** The provisions of Limits Of Insurance (**SECTION III**) not otherwise modified by this endorsement shall continue to apply as stipulated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY DAMAGE – BORROWED EQUIPMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Under **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, j. Damage To Property**, item **(4)** does not apply to “property damage” to borrowed equipment while that equipment is not being used to perform operations at a job site.

B. Under **SECTION III – LIMITS OF INSURANCE**, the following is added:

Subject to **5.** above, an aggregate limit of \$100,000 is the most we will pay for the sum of all damages under provision A. of the endorsement 22-107 Property Damage – Borrowed Equipment.

C. Under **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance, b. Excess Insurance**, the following is added:

The insurance afforded by endorsement 22-107 Property Damage – Borrowed Equipment is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is property insurance.

Nothing contained in this endorsement shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the policy, other than as stated above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY DAMAGE – CUSTOMERS’ GOODS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Under **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, j. Damage To Property**, items **(3)**, **(4)** and **(6)** do not apply to “property damage” to “customers goods” while on your premises.

B. Under **SECTION III – LIMITS OF INSURANCE**, the following is added:

Subject to **5.** above, an aggregate limit of \$100,000 is the most we will pay for the sum of all damages under provision **A.** of the endorsement 22-108 Property Damage – Customers’ Goods.

C. Under **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance, b. Excess Insurance**, the following is added:

The insurance afforded by endorsement 22-108 Property Damage – Customers’ Goods is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is property insurance.

D. Under **SECTION V – DEFINITIONS**, the following definition is added:

“Customers’ goods” means property of your customer on your premises for the purpose of being worked on or used in your manufacturing process.

Nothing contained in this endorsement shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the policy, other than as stated above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – VENDORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following amendment does not apply to the PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART if the "products-completed operations hazard" has been excluded from the policy:

- A. SECTION II – WHO IS AN INSURED** is amended to include as an additional insured any person or organization (referred to below as vendor) when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:
- 1.** The insurance afforded the vendor does not apply to:
 - a.** Any person or organization specifically designated as an additional insured by a separate Additional Insured – Vendors endorsement issued by us and made a part of this policy.
 - b.** "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - c.** Any express warranty unauthorized by you;
 - d.** Any physical or chemical change in the product made intentionally by the vendor;
 - e.** Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - f.** Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - g.** Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - h.** Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
 - i.** "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (1)** The exceptions contained in Sub-paragraphs **e.** or **g.**; or
 - (2)** Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
 - 2.** This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CUSTOM PROTECTOR LIABILITY EXTENSION ENDORSEMENT

This endorsement modifies insurance under the

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

A. NON-OWNED AIRCRAFT

Under paragraph 2. **Exclusions of COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION I)**, exclusion **g. Aircraft, Auto Or Watercraft** does not apply to an aircraft provided:

1. It is not owned by any insured;
2. It is hired, chartered or loaned with a trained paid crew;
3. The pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating her or him a commercial or airline pilot; and
4. It is not being used to carry persons or property for a charge.

However, the insurance afforded by this provision does not apply if there is available to the insured other valid and collectible insurance, whether primary, excess (other than insurance written to apply specifically in excess of this policy), contingent or on any other basis, that would also apply to the loss covered under this provision.

B. NON-OWNED WATERCRAFT

Under paragraph 2. **Exclusions of COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION I)**, provision **(2)(a)** of exclusion **g. Aircraft, Auto Or Watercraft** is replaced by the following:

This exclusion does not apply to:

- (2)** A watercraft you do not own that is:
 - (a)** Less than 51 feet long; and

C. PROPERTY DAMAGE LIABILITY – ELEVATORS

1. Under paragraph 2. **Exclusions of COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION I)**, provisions **(3)**, **(4)** and **(6)** of exclusion **j. Damage To Property** do not apply if such “property damage” results from the use of elevators. For the purpose of this provision, elevators do not include vehicle lifts.

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For the purpose of this provision, vehicle lifts mean lifts or hoists used in automobile service or repair operations.

2. The following is added to **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, Condition **4. Other Insurance**, paragraph **b. Excess Insurance**:

The insurance afforded by provision **C.** in the Custom Protector Liability Extension Endorsement is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is property insurance.

D. DAMAGE BY FIRE, LIGHTNING, EXPLOSION, SMOKE OR LEAKAGE

1. Under subsection **2. Exclusions** of **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION I)**:

- a. The fourth from the last paragraph of exclusion **j. Damage To Property** is replaced by the following:

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to “property damage” (other than damage by fire, lightning, explosion, smoke, or leakage from automatic fire protection systems) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **SECTION III – LIMITS OF INSURANCE**.

- b. The last paragraph of subsection **2. Exclusions** is replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke, or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to Damage To Premises Rented To You as described in **SECTION III - LIMITS OF INSURANCE**.

2. Paragraph **6.** under **SECTION III - LIMITS OF INSURANCE** is replaced by the following:

6. Subject to **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of “property damage” to any one premises, while rented to you, or in the case of damage by fire, lightning, explosion, smoke, or leakage from automatic protection systems, while rented to you or temporarily occupied by you with permission of the owner. This limit is the greater of:

- a. \$300,000; or

- b. The amount shown in the Declarations for Damage To Premises Rented To You Limit.

3. The word “fire” is changed to “fire, lightning, explosion, smoke, or leakage from automatic fire protection systems” where it appears in:

- a. **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Condition **4. Other Insurance**, paragraph **b. Excess Insurance**, subparagraph **(1)(b)**; and

- b. **SECTION V – DEFINITIONS**, paragraph **9.a.**

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4. This endorsement provision **D.** does not apply when coverage for Damage To Premises Rented To You is otherwise excluded from this Coverage Part.

E. MEDICAL PAYMENTS EXTENSION

1. Under provision **1. Insuring Agreement** of **COVERAGE C MEDICAL PAYMENTS (SECTION I)**, the second subparagraph **(2)** of paragraph **a.** is replaced by the following:
 - (2)** The expenses are incurred and reported to us within three years of the date of the accident.
2. This endorsement provision **E.** does not apply when **COVERAGE C. MEDICAL PAYMENTS (SECTION I)** is otherwise excluded from this Coverage Part.

F. EXTENSION OF SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

Under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B:**

1. Paragraph **1.b.** is replaced by the following:
 - b.** Up to \$2500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
2. Paragraph **1.d.** is replaced by the following:
 - d.** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or “suit”, including actual loss of earnings up to \$500 a day because of time off from work.

G. ADDITIONAL INSURED- MANAGERS OR LESSORS OF PREMISES

SECTION II – WHO IS AN INSURED is amended to include as an additional insured any person or organization when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability arising out of the ownership, maintenance or use of that part of any premises leased to you, subject to the following additional exclusions:

This insurance does not apply to:

1. Any “occurrence” which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of any additional insured.
3. Any person or organization specifically designated as an additional insured by a separate **ADDITIONAL INSURED-MANAGERS OR LESSORS OF PREMISES** endorsement issued by us and made a part of this policy.

H. ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT – AUTOMATIC STATUS WHEN

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REQUIRED IN LEASE AGREEMENT WITH YOU

SECTION II – WHO IS AN INSURED is amended to include as an additional insured any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an insured only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

A person’s or organization’s status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

This insurance does not apply to:

1. Any “occurrence” which takes place after the equipment lease expires.
2. Any person or organization specifically designated as an additional insured by a separate **ADDITIONAL INSURED-LESSOR OR LEASED EQUIPMENT** endorsement issued by us and made a part of this policy.

I. NEWLY ACQUIRED ORGANIZATION

1. **SECTION II – WHO IS AN INSURED** Paragraph 4. a. is replaced by the following:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier:
2. This endorsement provision I. does not apply when paragraph 4. of **SECTION II- WHO IS AN INSURED** is otherwise excluded from this Coverage Part.

J. INCIDENTAL MEDICAL MALPRACTICE

1. The following is added to **SECTION II - WHO IS AN INSURED** paragraph 2. a. (1) (d):

If you are not in the business of providing professional health care services, paragraph (d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services, but only while acting within the scope of their employment by you.

The insurance provided in this provision J. shall be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by you to be excess of this policy.

2. With respect to the coverage afforded under provision J.1. above, the following is added to **SECTION III – LIMITS OF INSURANCE**:

For the purposes of determining the applicable Limits of Insurance, any act or omission, together with all related acts or omissions in the furnishing of professional health care services to any one person, will be considered one “occurrence”.

K. BROAD FORM NAMED INSURED

1. **SECTION II - WHO IS AN INSURED** is amended to include as an insured any legally

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incorporated entity of which you own more than 50 percent of the voting stock during the policy period.

2. Under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, the following is added to Condition **4. Other Insurance**, paragraph **b. Excess Insurance**:

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to an insured solely by reason of ownership by you of more than 50 percent of the voting stock.

3. Paragraph **2.** of this endorsement provision **K.** does not apply to a policy written to apply specifically in excess of this policy.

L. FAILURE TO DISCLOSE HAZARDS AND PRIOR OCCURRENCES

1. Under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, the following is added to Condition **6. Representations**:

Your failure to disclose all hazards or prior "occurrences" existing as of the inception date of the policy shall not prejudice the coverage afforded by this policy provided such failure to disclose all hazards or prior "occurrences" is not intentional.

M. KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

Under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, the following is added to Condition **2. Duties in the Event of Occurrence, Offense, Claim Or Suit**:

Knowledge of an "occurrence", offense, claim or "suit" by an agent, servant or "employee" of any insured shall not in itself constitute knowledge of the insured unless an insured listed under paragraph **1.** of **SECTION II - WHO IS AN INSURED** or a person who has been designated by them to receive reports of occurrences, offenses, claims and "suits" shall have received such notice from the agent, servant or "employee".

N. LIBERALIZATION CLAUSE

If we revise this Custom Protector Liability Extension Endorsement to provide more coverage without additional premium charge, your policy will automatically provide the coverage as of the day the revision is effective in your state.

O. BODILY INJURY REDEFINED

Under **SECTION V - DEFINITIONS**, definition **3.** is replaced by the following:

3. "Bodily Injury" means physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CUSTOM PROTECTOR

GARAGEKEEPERS COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

SCHEDULE

Location	Coverages	Limit of Insurance for Each Location
	Comprehensive	\$ xxx,xxx minus \$ x,xxx deductible for each "customer's auto" for "loss" caused by theft or mischief or vandalism subject to \$ x,xxx maximum deductible for all such "loss" in any one event.
	Specified Causes of Loss	\$ xxx,xxx minus \$ x,xxx deductible for each "customer's auto" for "loss" caused by theft or mischief or vandalism subject to \$ x,xxx maximum deductible for all such "loss" in any one event.
	Collision	\$ xxx,xxx minus \$ xxxxx deductible for each "customer's auto"
	Comprehensive	\$ xxx,xxx minus \$ x,xxx deductible for each "customer's auto" for "loss" caused by theft or mischief or vandalism subject to \$ x,xxx maximum deductible for all such "loss" in any one event.
	Specified Causes of Loss	\$ xxx,xxx minus \$ x,xxx deductible for each "customer's auto" for "loss" caused by theft or mischief or vandalism subject to \$ x,xxx maximum deductible for all such "loss" in any one event.
	Collision	\$ xxx,xxx minus \$ xxxxx deductible for each "customer's auto"
	Comprehensive	\$ xxx,xxx minus \$ x,xxx deductible for each "customer's auto" for "loss" caused by theft or mischief or vandalism subject to \$ x,xxx maximum deductible for all such "loss" in any one event.
	Specified Causes of Loss	\$ xxx,xxx minus \$ x,xxx deductible for each "customer's auto" for "loss" caused by theft or mischief or vandalism subject to \$ x,xxx maximum deductible for all such "loss" in any one event.
	Collision	\$ xxx,xxx minus \$ xxxxx deductible for each "customer's auto"

Location	Location Address

DIRECT COVERAGE OPTIONS

Indicate below with an "X" which, if any, Direct Coverage Option is selected.

- EXCESS INSURANCE**
 If this box is selected, Garagekeepers Coverage remains applicable on a legal liability basis. However, coverage also applies without regard to your or any other insured's legal liability for "loss" to a "customer's auto" on an excess basis over any other collectible insurance regardless of whether the other insurance covers your or any other insured's interest or the interest of the "customer's auto's" owner.
- PRIMARY INSURANCE**
 If this box is checked, Garagekeepers Coverage is changed to apply without regard to your or any other insured's legal liability for "loss" to a "customer's auto" and is primary insurance.

(If no entry appears above, the information required to complete this endorsement will be shown on the Declarations as applicable to this endorsement.)

This endorsement provides only those coverages:

1. Where a Limit of Insurance and a deductible are shown for that coverage in the Schedule; and
2. For the location shown in the Schedule.

A. The following is added to SECTION I – COVERAGE A:

GARAGEKEEPERS COVERAGE

1. Insuring Agreement

a. We will pay all sums the insured legally must pay as damages for “loss” to a “customer’s auto” or “customer’s auto” equipment left in the insured’s care while the insured is attending, servicing, repairing, parking or storing it in your “garage operations” under:

1. Comprehensive Coverage

From any cause except:

- (a) The “customer’s auto’s” collision with another object; or
- (b) The “customer’s auto’s” overturn.

2. Specified Causes of Loss Coverage

Caused by:

- (a) Fire, lightning or explosion;
- (b) Theft; or
- (c) Mischief or vandalism.

3. Collision Coverage

Caused by:

- (a) The “customer’s auto’s” collision with another object; or
- (b) The “customer’s auto’s” overturn.

b. We will have the right and duty to defend any insured against a “suit” asking for these damages. However, we will have no duty to defend any insured against a “suit” seeking damages for “loss” to which this insurance does not apply. We may investigate and settle any claim or “suit” as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Insurance for that coverage has been exhausted by payments of judgments or settlements.

2. Exclusions

For the purposes of coverage provided by this endorsement, the following exclusions apply:

a. This insurance does not apply to the following:

1. Contractual Liability

Liability resulting from any agreement by which the insured accepts responsibility for “loss”. But this exclusion does not apply to liability for “loss” that the insured would have in the absence of the contract or agreement.

2. Theft

“Loss” due to theft or conversion caused in any way by you, your “employees” or by your shareholders.

3. Defective Parts

Defective parts or materials.

4. Faulty Work

Faulty “work you performed”.

b. We will not pay for “loss” to any of the following:

1. Tape decks or other sound reproducing equipment unless permanently installed in a “customer’s auto”.

2. Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.

3. Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "customer's auto" manufacturer for the installation of a radio.
 4. Any device designed or used to detect speed measurement equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.
- c. We will not pay for "loss" caused by or resulting from the following. Such "loss" is excluded regardless of any other case or event that contributes concurrently or in any sequence to the "loss":
1. Nuclear Hazard
 - (a) The explosion of any weapon employing atomic fission or fusion; or
 - (b) Nuclear reaction or radiation, or radioactive contamination, however caused.
 2. War or military Action
 - (a) War, including undeclared or civil war.
 - (b) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (c) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

B. For the purposes of the coverage provided by this endorsement, **Supplementary Payments - Coverage A and B** is deleted in its entirety and replaced by the following:

Supplementary Payments

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. The costs of bonds to release attachments in any "suit" against an insured we defend, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request, including actual loss of earnings up to \$500 a day because of time off from work.
- d. All costs taxed against the insured in any "suit" against an insured we defend.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against an insured we defend; but our duty to pay interest ends when we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

C. For the purposes of the coverage provided by this endorsement, **SECTION II – WHO IS AN INSURED** is deleted in its entirety and is replaced by the following:

WHO IS AN INSURED

The following are insureds for "loss" to "customers' auto's" and "customer's auto" equipment:

1. You;
2. Your partners (if you are a partnership), members (if you are a limited liability company), "employees", "executive officers", directors or shareholders while acting within the scope of their duties as such.

D. For the purposes of the coverage provided by this endorsement, **SECTION III - LIMIT OF INSURANCE** is deleted in its entirety and is replaced by the following:

SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLE

1. Limit of Insurance

Regardless of the number of "customer's autos", insureds, premiums paid, claims made or "suits" brought, the most we will pay for each "loss" at each location is the Garagekeepers Coverage Limit of Insurance shown in the Schedule for that location minus the applicable deductible.

2. Deductible

- a. The Collision deductible for each "customer's auto" will be shown in the Schedule.
- b. The Comprehensive or Specified Causes of Loss deductible for each "customer's auto" and the deductible for all such "loss" in any one event will be shown in the Schedule.
- c. Sometimes to settle a claim or "suit", we may pay all or part of the deductible. If this happens you must reimburse us for the deductible or that portion of the deductible that we paid.

E. For the purposes of the coverage provided by this endorsement, **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended as follows:

Paragraph 2., **Duties In The Event Of Occurrence, Offense, Claim Or Suit**, is replaced in its entirety by the following:

2. Duties In The Event Of Occurrence, Claim or Suit

- a. In the event of "loss", claim or "suit", you must give us or our authorized representative prompt notice of "loss" to include:
 - (1) How, when and where the "loss" occurred;
 - (2) The insured's name and address; and
 - (3) To the extent possible, the names and addresses of any witnesses and the owners of the "customer's autos".
- b. Additionally, you and any other involved insured must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the insured's own cost;
 - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claims or "suits";
 - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit";
 - (4) Promptly notify the police if the "auto" or any of its equipment is stolen;
 - (5) Take all reasonable steps to protect the "auto" from further damage. Also, keep a record of your expenses for consideration in the settlement of a claim;
 - (6) Permit us to inspect the "auto" and records proving the "loss" before its repair or disposition.
 - (7) Agree to examinations under oath at our request and give us a signed statement of your answers.

F. For the purposes of provided by this endorsement, **SECTION V – DEFINITIONS** is amended as follows:

As used in this endorsement, the following definitions are added:

1. "Customer's auto" means a customer's land motor vehicle or trailer or semitrailer. This definition also includes any customer's auto while left with you for service, repair, storage or safekeeping. Customers include your "employees" and members of their households who pay for services performed.
2. "Loss" means direct and accidental loss or damage and includes any resulting loss of use
3. "Garage operations" means the ownership, maintenance or use of locations for the purpose of a business of selling, servicing, repairing, parking or storing "customer's autos" and that portion of the roads or other accesses that adjoin these locations. "Garage operations" also includes all operations necessary or incidental to the performance of garage operations.
4. "Work you performed" includes:
 - a. Work that someone performed on your behalf; and
 - b. The providing of or failure to provide warnings or instructions.

CUSTOM PROTECTOR CONTRACTORS MISCELLANEOUS PROPERTY FLOATER COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F - DEFINITIONS:

A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. COVERED PROPERTY, as used in this Coverage Form, means:

Business personal property you own, including but not limited to equipment, tools, items, or materials to be installed and office business personal property. Business personal property owned by others including but not limited to employees tools or rented equipment or tools, while they are in your care, custody or control and for which you have accepted responsibility.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Contraband, or property in the course of illegal transportation or trade;
- b. Land and water;
- c. Currency, evidences of debt, letters of credit, passports, legal documents or other valuable papers, money, securities, notes, transportation or other tickets;
- d. Jewelry, precious metals and precious stones;
- e. Animals;
- f. Automobiles, trucks, tractors, motorcycles, or similar conveyances designed for highway use;
- g. Aircraft;
- h. Watercraft;
- i. Property you have loaned, rented, hired, or leased to others; or
- j. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

4. ADDITIONAL COVERAGE - COLLAPSE

We will pay for direct "loss" caused by or resulting from risks of direct physical "loss" involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as covered in this Coverage Form;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;

- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

5. COVERAGE EXTENSION

a. DEBRIS REMOVAL

- (1) We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage;
- (2) The most we will pay under this Coverage Extension is the lesser of:
 - (a) 25% of the amount we pay for the direct physical loss of or damage to Covered Property; or
 - (b) \$5,000.00
- (3) This Coverage Extension does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.

b. PRESERVATION OF PROPERTY

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

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 10 days after the property is first moved.

c. FIRE DEPARTMENT SERVICE CHARGE

When the fire department is called to save or protect Covered Property from a Covered Cause of "Loss", we will pay up to \$1,000 for your liability for fire department service charges:

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

No Deductible applies to this Coverage Extension.

d. POLLUTANT CLEANUP AND REMOVAL

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

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

The most we will pay under this Coverage Extension is \$10,000 for the sum of all covered expenses arising out of Covered Cause of Loss occurring during each separate 12 month period of this policy.

B. EXCLUSIONS

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

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of government authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent it spread if the fire would be covered under this Coverage Form.

b. NUCLEAR HAZARD

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

c. WAR AND MILITARY ACTION

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

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

a. Delay, loss of use, loss of market or any other consequential loss;

b. Dishonest acts by:

- (1) You, your employees or authorized representatives;
- (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons, or such acts occur during the hours of employment.

But this exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire.

c. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense;

d. Mysterious disappearance; or

e. Discharge, dispersal, seepage, migration, release or escape of "pollutants".

3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss".

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1., above to produce the "loss".

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 wherever located.

d. Collapse except as provided in the Additional Coverage-Collapse section of the Coverage Form.

e. Shortage found upon taking inventory.

f. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation; mechanical breakdown; insect, vermin, rodents; corrosion, rust, dampness, cold or heat.

- g. Breakage of glass. WE DO COVER breakage if it is caused by fire; lightning; windstorm or hail; earthquake; flood; smoke; explosion, aircraft, spacecraft, self-propelled missiles, and other objects that fall from these items; vehicles, including an accident to a transporting vehicle; strike; riot or civil commotion; vandalism; theft or attempted theft; sprinkler leakage or collapse of buildings.

- h. Processing or work upon the property.

But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.

- i. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this Coverage Form.

But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.

This exclusion only applies to "loss" to that article in which the disturbance occurs.

C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss", before applying the applicable Limits of Insurance, exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

This Deductible provision does not apply if the "loss" is also covered under another coverage form of this policy.

E. ADDITIONAL CONDITIONS

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

1. COVERAGE TERRITORY

Coverage applies only while the covered property is located within the United States or Canada.

F. DEFINITIONS

1. "Loss" means accidental loss or damage.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
3. "Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage; theft or attempted theft; collision derailment, upset or overturn of land vehicles; collapse of bridges, culverts or buildings; flood; earthquake.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water or limestone or similar rock formations. It does not include the cost of filling sinkholes.
 - b. Water damage means accidental discharge or leakage of water or steam as the direct result of the breakage or cracking of any part of a system or appliance containing water or steam.

Rate Information

Rate data does NOT apply to filing.

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document- Property & Casualty	Review Status: Approved	07-02-2007
Comments: P & C TRANSMITTAL		
Attachment: P & C TRANSMITTAL 010106.AMF.pdf		
Satisfied -Name: COVER LETTER	Review Status: Approved	07-02-2007
Comments: COVER LETTER		
Attachment: 2007-00514.trb.pdf		
Satisfied -Name: FORMS LIST	Review Status: Approved	07-02-2007
Comments: FORMS LIST		
Attachment: AR CPP FORMLIST.10-2007.pdf		
Satisfied -Name: ACTUARIAL MEMO	Review Status: Approved	07-02-2007
Comments: ACTUARIAL MEMO		
Attachment: AR Custom Protector Actuarial Memo 0607.pdf		

Property & Casualty Transmittal Document (Revised 1/1/06)

1. Reserved for Insurance Dept. Use Only		2. Insurance Department Use only			
		a. Date the filing is received:			
		b. Analyst:			
		c. Disposition:			
		d. Date of disposition of the filing:			
		e. Effective date of filing:			
		New Business			
		Renewal Business			
		f. State Filing #:			
		g. SERFF Filing #:			
		h. Subject Codes			
3. Group Name		Liberty Mutual Agency Markets			Group NAIC # 111
4. Company Name(s)		Domicile	NAIC #	FEIN #	
Peerless Indemnity Insurance Company		IL	18333	13-2919779	
5. Company Tracking Number		2007-00514			
Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]					
6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Tammy R. Blake 62 Maple Avenue Keene NH 03431	Sr. Analyst Regulatory Filing AM	603-358-4520	603-352-9252	tammy.blake@ libertymutual.com
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Tammy R. Blake		
Filing information (see General Instructions for descriptions of these fields)					
9.	Type of Insurance (TOI)	CUSTOM PROTECTOR™ Program			
10.	Sub-Type of Insurance (Sub-TOI)				
11.	State Specific Product code(s) (if applicable)[See State Specific Requirements]				
12.	Company Program Title (Marketing title)	CUSTOM PROTECTOR™ Program			
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			
14.	Effective Date(s) Requested	New: 10/01/07		Renewal: 10/01/07	
15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
16.	Reference Organization (if applicable)	N/A			
17.	Reference Organization # & Title	N/A			
18.	Company's Date of Filing	June 18, 2007			
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	2007-00514
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21. Filing Description [This area should be similar to the body of a cover letter and is free-form text]

For all policies effective on and after October 1, 2007 we wish to file to introduce our new product, CUSTOM PROTECTOR™ Program for Peerless Indemnity Insurance Company only. The CUSTOM PROTECTOR™ is a package product that functions much like the Division 9, Commercial Package Policy as outlined in the enclosed Actuarial Memorandum.

22. Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #:
Amount: \$50.00

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

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



**America First
Insurance.**

Member of Liberty Mutual Group

62 Maple Avenue
Keene, NH 03431
603-352-3221

June 18, 2007

Hon. Julie Benafield Bowman
Commissioner Of Insurance
Arkansas Insurance Department
1200 West Third St
Little Rock, AR 72201-1904

Attn: Mr. Bill Lacy, Director
Property and Casualty Division

Re: CUSTOM PROTECTOR™ Program
Form Filing
PEERLESS INDEMNITY INSURANCE COMPANY
NAIC #111-18333
Company Filing #2007-00514

Dear Mr. Lacy:

For all policies effective on and after October 1, 2007 we wish to file to introduce our new product, CUSTOM PROTECTOR™ Program for Peerless Indemnity Insurance Company only.

The CUSTOM PROTECTOR™ is a package product that functions much like the Division 9, Commercial Package Policy as outlined in the enclosed Actuarial Memorandum.

Enclosed, please find the Forms that we wish to use with this Program, along with the required filing forms.

The corresponding Rate & Rule filing has been submitted under separate cover (our filing #2007-00513).

Questions regarding the above filing should be directed to me at 603-358-4520 or 800-826-6189 ext. 84520.

Review and Approval, evidenced by Department Stamp on a copy of this letter would be appreciated. A self-addressed envelope is enclosed for your convenience.

Sincerely,

Tammy R. Blake
State Filings Analyst
E-mail: tammy.blake@libertymutual.com

AR – CUSTOM PROTECTOR™ Program Forms List

10/01/2007

NEW/REVISED NUMBER / ED.	ST	FORM TITLE	TYPE	Proprietary/ISO)	Mandatory /Optional	Premium Bearing
21-87D (02/07)	AR	Wholesalers Custom Protector Endorsement	Endorsement	Proprietary	Optional	Y
21-88D (02/07)	AR	Service Providers Custom Protector Endorsement	Endorsement	Proprietary	Optional	Y
21-89D (02/07)	AR	Retailers Custom Protector Endorsement	Endorsement	Proprietary	Optional	Y
21-91D (02/07)	AR	Manufacturers Custom Protector Endorsement	Endorsement	Proprietary	Optional	Y
21-92D (02/07)	AR	Office/Lessors Custom Protector Endorsement	Endorsement	Proprietary	Optional	Y
21-93D (02/07)	AR	Food Processors Custom Protector Endorsement	Endorsement	Proprietary	Optional	Y
21-94D (02/07)	AR	Contractors Custom Protector Endorsement	Endorsement	Proprietary	Optional	Y
21-98D (02/07)	AR	Garage Custom Protector Endorsement	Endorsement	Proprietary	Optional	Y
21-100D (02/07)	AR	Custom Protector Endorsement	Endorsement	Proprietary	Mandatory	N
22-106 (01/07)	AR	Each Location General Aggregate Limit	Endorsement	Proprietary	Optional	Y
22-107 (01/07)	AR	Property Damage – Borrowed Equipment	Endorsement	Proprietary	Optional	Y
22-108 (01/07)	AR	Property Damage – Customers' Goods	Endorsement	Proprietary	Optional	Y
22-109 (01/07)	AR	Additional Insured – Vendors	Endorsement	Proprietary	Optional	Y
22-110 (01/07)	AR	Custom Protector Liability Extension Endorsement	Endorsement	Proprietary	Mandatory	N
22-117 (01/07)	AR	Custom Protector Garagekeepers Coverage	Endorsement	Proprietary	Optional	Y
24-71 (02/07)	AR	Custom Protector Contactors Miscellaneous Property Floater Coverage Form	Endorsement	Proprietary	Optional	Y

ACTUARIAL FILING MEMORANDUM

June 19, 2007

State: Arkansas
Line of Business: Custom Protector™
Companies: Peerless Indemnity Insurance Company
Effective Dates: 10/01/2007 New Business

General Comments:

With this submission, we are filing to implement a new product, Custom Protector™, for the Peerless Indemnity Insurance Company.

The coverage forms and the manual for this product are included separately. The following provides a brief description of this new product.

Custom Protector™ is a package product that functions much like a Division 9 Commercial Package Policy. Underlying coverages (GL, Property, Crime, Inland Marine, Hired and Non-Owned Auto) are rated using the rates and algorithms in ISO's manuals and our exception pages for these underlying lines. Division 9 PMFs, where applicable, are applied on top of these monoline rates according to our filed Division 9 rules.

Two additional rating elements unique to Custom Protector™ are then applied:

1. Class Factor: the premium for each Division will be modified by a class factor that are documented in the attached Exception Pages.
2. Tier Factor: the premium for Divisions 5 and 6 are further modified by a Tier Factor. Since we are filing this product only for the Peerless Indemnity Insurance Company, Tier factors are meant to provide us with the underwriting flexibility that we would have if we were to implement this product in multiple companies. The proposed Tier Factors are documented in the attached Exception Pages.

Optional Coverages:

The following optional coverages are available for the Custom Protector™ product. Coverage and rating details for these coverages are documented in the accompanying Forms and Exception Pages.

1. Equipment Breakdown Coverage
2. Commercial Property Market Segment Endorsements
3. General Liability Market Segment Endorsements
4. Inland Marine Miscellaneous Property Floater
5. General Liability Garagekeepers Liability Endorsement

In addition to the above, all endorsements and forms currently available to our Division 9 Commercial Package Product are likewise available for Custom Protector™ as well.