



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL PROPERTY ADVANTAGE EXTENSION ENDORSEMENT

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

Throughout this endorsement the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

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

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CAUSES OF LOSS - SPECIAL FORM

The following is a summary of the Limits of Insurance, Additional Coverages and Extensions provided by this endorsement. For complete details on specific coverages, consult the policy contract wording. These coverages apply separately to each of your premises described in the Declarations. As respects any coverage provided by this endorsement, if higher limits are provided on any other schedule, declarations pages or endorsement attached to this policy, then the limits and coverage provided by this endorsement would not apply for that coverage.

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

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

SCHEDULE OF COVERAGES

LIMIT OF INSURANCE

Building property includes signs, fences and antennas	*
Tenants' Building Glass	*
Pollutant Clean Up	\$25,000
Business Income and Extra Expense	\$300,000
Refrigerated Goods Spoilage	\$10,000
Accounts Receivable	\$25,000
Fire Protection Device Recharge	Actual Loss Sustained
Loss Data Preparation	\$10,000
Money & Securities	\$5,000 on/\$5,000 off premises
Criminal Reward	\$5,000
Fine Arts	\$25,000
Exhibition Coverage	\$10,000
Salespersons Samples Coverage	\$10,000
Processors Coverage	\$25,000
Electronic Data Processing	\$50,000 (including Extra Expense, Software & Transit)

Employee Dishonesty	\$10,000
Forgery and Alteration	\$10,000
Money Orders and Counterfeit Paper Currency	\$1,000
Contractual Penalties	\$25,000 per occurrence with a \$100,000 annual aggregate limit
Ordinance or Law	Loss of value of the undamaged Portion - Up to Building Limit/Combined Limit for Cost to Demolish and increased Cost of Construction - \$500,000
Fire Department Service Charge	Actual Loss Sustained
Debris Removal	\$25,000
Newly Acquired Locations-Buildings	\$1,000,000
Newly Acquired Locations-Business Personal Property	\$500,000
Personal Effects and Property of Others	\$25,000 per occurrence/\$1,000 per person
Valuable Papers	\$25,000
Property Off Premises	\$25,000
Outdoor Properties	\$10,000 per occurrence/\$2,500 per item
Emergency Vacating Expenses	\$5,000
Inflation Guard	4%
Lawn Coverage	\$2,000
Premises Limitation	1,000 feet
Consequential Damage	\$10,000
Brands and Labels	\$10,000
Deferred Payments	\$25,000
Worldwide Personal Property	\$10,000
Replacement Cost-Personal Property of Others	*

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

Continuous or repeated seepage	*
Liquids, powder or molten metals	*
Personal Property in the Open	*
Theft loss to Fur, fur garments	\$5,000
Theft loss to Jewelry, watches, watch movements	\$5,000
Theft loss to Gold, Silver, Platinum and alloys used in Manufacturing	\$25,000
Business Personal Property includes patterns, dies and molds	*
Lock Replacement	\$1,000
Backup of sewer or drain is a covered peril	*
Utility Services - Direct Damage	\$10,000
Utility Services - Business Income Coverage	\$10,000
Property In Transit	\$10,000

* A Sublimit does not apply to this Coverage. Coverage is included within the applicable building or business personal property limit.

If two or more of this Form's Coverages, Additional Coverages, or Extensions apply to the same loss, the most that we will pay for that loss is the actual amount of loss or damage, but no more than the highest Limit of the Coverages, Additional Coverages, or Extensions that applies.

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

Signs, fences and antennas (including satellite dishes)

1. In Section **A.1.a.(5)**, the following is added:
Fences, signs, and antennas (including satellite dishes)
2. "Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers" is deleted from Property Not Covered.
3. In the Limits of Insurance section, the provision referencing outdoor signs is deleted.

Tenants' Building Glass

The following is added to Your Business Personal Property:

Subject to the Cause of Loss form attached to this policy, we will pay for direct physical loss of or damage to building glass provided that:

1. You are a tenant of the building shown in the Declarations of this policy; and
2. You have a contractual responsibility to insure the building glass, or a contractual responsibility to pay for loss or damage to that property.
3. The value of property covered under this endorsement will be determined in accordance with the Valuation Condition applicable under this Coverage Form or Policy, or at the amount for which you are liable under contract, whichever is less. If required by law, glass is covered at the cost of replacement with safety glazing material.

Pollutant Clean Up and Removal

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

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

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

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

The following are added to **ADDITIONAL COVERAGES**:

Business Income and Extra Expense

When a limit is shown on the Schedule, coverage is provided as described and limited below for Business Income including "rental value".

1. Coverage

We will pay 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 of or damage to property at premises that are described in the Declarations of the policy to which this endorsement is attached. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1000 feet of the site at which the described premises are located.

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

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

2. Business Income

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.

For manufacturing risks, Net Income includes the net sales value of production.

3. Extra Expense

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

We will pay Extra Expense (other than the expense to repair or replace property) to:

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

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

4. Covered Causes of Loss, Exclusions and Limitations

See applicable Causes of Loss Form as shown in the Declarations.

5. Additional Limitation - Interruption of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption of Computer Operations or as specifically provided elsewhere in this form.

- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

6. Additional Coverages

a. Civil Authority

In this Additional Coverage - Civil Authority, the described premises are premises to which this endorsement applies.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or action is taken to enable civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks after coverage begins.

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

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income coverage ends;

whichever is later.

b. Alterations and New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

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

- (1) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and either "operations" are resumed or tenantability is restored; and
- (2) Ends on the earlier of:

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

- (b) 30 consecutive days after the date determined in **c.(1)** above.

However, Extended Business Income does not apply to loss of Business Income or loss of "rental value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income or loss of "rental value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage - Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in

that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (5) The Additional Coverage - Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

e. Business Income from Dependent Properties

- (1) We will pay for the actual loss of Business Income or Extra Expense you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to "dependent property" caused by or resulting from any Covered Cause of Loss. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data or any loss or damage to electronic data.

- (2) The following is added to Section 10.
c.(3) Resumption of Operations:

We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available source of materials or outlets for your products.

- (3) The most we will pay under this Additional Coverage is \$25,000. Payments under this Additional Coverage will not increase the applicable Limit of Insurance.

f. Ordinance or Law - Increased Period of Restoration

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

- (a) Regulates the construction or repair of any property;
- (b) Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and

- (c) Is in force at the time of the loss.

However, coverage is not extended under this Additional Coverage to include loss caused by or resulting from enforcement of any ordinance or law which requires any insured to test for, monitor, clean up, contain, treat, detoxify, or in any way respond to, or assess the effects of "pollutants", fungus, wet or dry rot or bacteria.

- (2) The most we will pay under this Additional Coverage is \$25,000. Payments under this Additional Coverage will not increase the applicable Limit of Insurance.

7. Coverage Extension - Newly Acquired Locations

- (1) You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.

(2) The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.

(3) Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

(a) This policy expires;

(b) 30 days expire after you acquire or begin to construct the property; or

(c) You report values to us.

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

This Extension is additional insurance.

8. Exclusions and Limitations

See applicable Causes of Loss Form as shown in the Declarations. The Special Exclusions applicable to Business Income and Extra Expense also apply.

9. Limits of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Schedule.

The limit applicable to the Coverage Extension is in addition to the Limit of Insurance. Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- a. Alterations and new Buildings;
- b. Civil Authority;
- c. Extra Expense; or
- d. Extended Business Income.

The amounts of insurance stated in the Interruption of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limits of Insurance shown in the Schedule of this form for any other coverage.

10. Loss Conditions

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

a. Appraisal

All provisions included in the Appraisal Condition in **CP 00 10** shall also apply to the amount of Net Income and operating expense or the amount of loss.

b. Duties in the Event of Loss or Damage

All provisions included in the Duties in the Event of Loss or Damage Condition in **CP 00 10** shall also apply to Business Income; however, the following is added as respects to Business Income:

(1) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

c. Loss Determination

(1) The amount of Business Income loss will be determined based on:

(a) The Net Income of the business before the direct physical loss or damage occurred;

(b) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

(c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

(d) Other relevant sources of information, including:

(i) Your financial records and accounting procedures;

(ii) Bills, invoices and other vouchers; and

(iii) Deeds, liens or contracts.

(2) The amount of Extra Expense will be determined based on:

(a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

- (i) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (ii) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (b) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- (3) Resumption of Operations**
- We will reduce the amount of your:
- (a) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (b) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- (4)** If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- (5) Loss Payment**
- We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
- (a) We have reached agreement with you on the amount of loss; or
 - (b) An appraisal award has been made.

No deductible applies to this Additional Coverage.

Refrigerated Goods Spoilage

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

- (1) Mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus is at the described premises; and
- (2) Contamination by refrigerant; or
- (3) Complete or partial interruption of electrical power, either on or off the described premises due to conditions beyond your control.

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

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

(1) Exclusions

- (a) Only the following exclusions contained in Paragraph **B.1.** of the Special Causes of Loss form apply to this coverage:
 - (i) EARTH MOVEMENT;
 - (ii) GOVERNMENTAL ACTION;
 - (iii) NUCLEAR HAZARD;
 - (iv) WAR AND MILITARY ACTION; and
 - (v) WATER.
- (b) The following exclusions are added:

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

- (i) The disconnection of any refrigerating, cooling or humidity control system from the source of power;
- (ii) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

- (iii) The inability of an Electrical Utility Company or other power source to provide sufficient power due to lack of fuel or governmental order;
- (iv) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand;
- (v) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

A \$500 deductible applies to this Additional Coverage.

The most we will pay for loss or damage in any one occurrence under this Additional Coverage is the limit shown in the Schedule of this form.

Accounts Receivable

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

- (1) At a described premises or in or on a vehicle in transit between described premises; or
- (2) If the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss.
We will pay for the loss while accounts receivable are:
 - (a) At a safe place away from your described premises; or
 - (b) Being taken to and returned from that place.

The amount of your accounts receivable loss includes:

- (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;
- (4) Other reasonable expenses that you incur to reestablish your records of accounts receivable;

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

Accounts receivable loss payment will be determined as follows:

- (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
 - (a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance for that month.
- (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (a) The amount of the accounts for which there is no loss or damage;
 - (b) The amount of the accounts that you are able to reestablish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.
- (3) You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

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

- (1) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property. This Exclusion applies only to the extent of the wrongful giving, taking or withholding;

- (2) Loss that requires any audit of records or any inventory computation to prove its factual existence;
- (3) Loss resulting from bookkeeping, accounting or billing errors or omissions; or
- (4) Unauthorized instructions to transfer property to any person or any place.

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

Fire Protection Device Recharge

We will pay the actual loss to recharge or refill your fire protective devices that are permanently installed in buildings at described premises. This coverage only applies when such devices have been discharged while being used to combat a covered fire at the premises described in the Declarations, which results in a covered loss.

Loss Data Preparation Costs

We will pay up to the limit shown in the Schedule of this form for reasonable costs you incur in preparing loss data required by policy conditions of this policy after a covered property loss. This includes the cost of taking inventory, making appraisals and preparing other data to determine the extent of your loss. This coverage does not include payments for any services rendered by a public adjuster.

"Money" and "Securities"

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

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

We will not pay for loss:

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

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

Valuation Settlement: We will pay for:

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

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

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

- (1) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";
- (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the value of the "securities" at the close of business on the day the loss was discovered.

The most we will pay for loss in any one occurrence is:

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

A \$500 deductible applies to this Additional Coverage.

Criminal Reward

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

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

Fine Arts

We have extended the insurance that applies to your business personal property to apply to "fine arts".

Valuation will be determined as follows:

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

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

You must agree that:

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

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

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

- (1) Delay, loss of use, loss of market or any other consequential loss;

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

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

Exhibition Coverage

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

Valuation will be determined as follows:

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

- (e) The amount stated in this coverage extension.

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

Property Not Covered means:

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

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

Salespersons Samples Coverage

We have extended the insurance that applies to your business personal property to apply to samples that are owned by you or the property of others, for which you are legally liable, only while such property is in the custody of your salesperson or authorized sales representatives; in your custody, if you are an individual, while acting as a salesperson; or in the due course of transit to or from your premises and your salespersons or authorized sales representatives.

Valuation will be determined as follows:

- (1) The value will be the least of the following:
 - (a) The actual cash value of the property;
 - (b) The cost of reasonably restoring that property to its condition immediately before loss or damage;

- (c) The cost of replacing that property with substantially identical property; or

- (d) The amount of insurance stated in this coverage extension.

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

Property Not Covered means:

- (1) Property that you loan, lease or rent to others;
- (2) Property held for sale;
- (3) Property while at a premises that is owned, leased or operated by you or your salespersons or authorized sales representatives;
- (4) Accounts, bills, currency, deeds, "money", notes, "securities" or evidences of debt;
- (5) Jewelry, costume jewelry, precious or semiprecious stones, gold, silver, platinum, or other precious metals or alloys;
- (6) Furs or garments trimmed with fur;
- (7) Property while waterborne. However, we will cover property while aboard vessels on inland waterways when the waterborne transportation is incidental to the land portion of the journey; or
- (8) Contraband, or property in the course of illegal transportation or trade.

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

Processors Coverage

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

Valuation will be determined as follows:

- (1) The value will be the least of:
 - (a) The actual cash value of the property;
 - (b) The cost of reasonably restoring that property to its condition immediately before loss or damage;

- (c) The cost of replacing that property with substantially identical property;
- (d) The value of property that is unfinished at the time of loss will include the value of labor, materials or services furnished by the processor, if you have paid the processor for such labor, materials or services. However, the value of the property will not exceed the cost to replace such property; or
- (e) The amount of insurance stated in this coverage extension.

In the event of loss, the value of the property will be determined at the time of loss.

Property Not Covered means:

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

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

Exhibition Coverage, Salespersons Samples Coverage, and Processors Coverage - Exclusions

The following exclusions apply to **Exhibition Coverage, Salespersons Samples Coverage, and Processors Coverage**. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

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

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

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

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

Electronic Data Processing Equipment Including Extra Expense, Software and Transit

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

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

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

- (4) Duplicate "data" and "media"

We will pay up to \$50,000 in any one occurrence for loss to duplicate or back-up data and media which are stored at premises other than those shown in the Declarations.

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

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

Covered property does not include:

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

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

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

(2) The following exclusions are added:

Any change in, or interruption of:

- (a)** Power supply; or
 - (b)** Telecommunications service;
- if the change originates more than 1000 feet away from the premises containing the covered property (equipment). But if a loss or damage by fire, explosion or theft results, we will pay for that resulting loss.

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

- (a)** Programming errors or incorrect machine instructions;
- (b)** Interference by strikers or other persons with repairs to damaged property, or with resumption of normal business operations;
- (c)** Mechanical or machinery breakdown of any property not named in the Extra Expense coverage;
- (d)** The suspension, lapse or cancellation of any lease, license or contract beyond the "period of restoration";
- (e)** Any other consequential loss.

Valuation will be determined as follows:

- (1)** Equipment - we will adjust a loss to Equipment on the basis of replacement cost.

The most we will pay is:

- (a)** The amount necessary to repair the equipment; or
- (b)** The amount necessary to replace the equipment with material of the same kind or quality; or
- (c)** The applicable limit of insurance;

whichever is less.

(2) Software

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

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

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

Employee Dishonesty

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

- (a)** Cause you to sustain loss or damage; and also
- (b)** Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

- (i)** Any employee; or
- (ii)** Any other person or organization.

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

- (a)** Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons; or
- (b)** Where the only proof of which as to its existence or amount is:
 - (i)** An inventory computation; or
 - (ii)** A profit and loss computation.

- (3)** The most we will pay for loss or damage in any one occurrence is the limit shown in the Schedule of this form.
- (4)** All loss or damage caused by one or more persons or involving a single act or series of related acts is considered one occurrence.

- (5) We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no limit of insurance cumulates from year to year or period to period.
 - (6) This Additional Coverage does not apply to any employee immediately upon discovery by you or any of your partners, officers or directors not in collusion with the employee of any dishonest act committed by that employee before or after being hired by you.
 - (7) We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.
 - (8) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage provided:
 - (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
 - (9) The insurance under Paragraph (8) above is part of, not in addition to, the amount of insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
 - (a) This Additional Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.
 - (10) Employee also includes any non-compensated natural person:
 - (a) Other than one who is fund solicitor, while performing services for you that are usual to the duties of an employee; or
 - (b) While acting as fund solicitor during fund raising campaigns.
- A \$500 deductible applies to this Additional Coverage.
- Forgery or Alteration**
- (1) We will pay for loss involving covered instruments resulting directly from the Covered Causes of Loss as stated in this Additional Coverage:
 - (a) Covered Instruments: Checks, drafts, promissory notes or similar written promises, orders or directions to pay a sum certain in "money" that are:
 - (i) Made or drawn by or drawn upon you;
 - (ii) Made or drawn by one acting as your agent;
 or that are purported to have been so made or drawn.
 - (b) Covered Causes of Loss: Forgery or alteration of, on or in any covered instrument.
 - (c) Extension: Legal Expenses: If you are sued for refusing to pay a covered instrument on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay under this extension is in addition to the limit of insurance applicable to the Forgery Additional Coverage.
 - (2) The most we will pay for loss in any one occurrence is the limit shown in the Schedule of this form.
 - (3) We will not pay for loss resulting from any dishonest or criminal act committed by any of your employees, directors or trustees:
 - (a) Whether acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
 - (4) Additional conditions applicable to this Additional Coverage:
 - (a) We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

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

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

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

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

A \$500 deductible applies to this Additional Coverage.

Money Orders and Counterfeit Paper Currency

We will pay for loss caused by your accepting in good faith:

(1) Any post office or express money orders which are not paid upon presentation; or

(2) Counterfeit paper currency;

in exchange for merchandise, services or money. No deductible applies to this Additional Coverage.

The most we will pay for loss in any one incident is the limit shown in the Schedule of this form.

Contractual Penalties

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

These penalties must:

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

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

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

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

Ordinance or Law Coverage

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

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

(a) For loss in value 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 the described premises; and

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

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

(c) The increased cost to:

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

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

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

However:

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

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

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

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

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

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

- (i)** Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" (as defined in form **CP 00 10**) or due to the presence, growth, proliferation, spread or any activity of "fungus" (as defined in form **CP 00 10**), wet or dry rot or bacteria; or
- (ii)** The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants" (as defined in form **CP 00 10**), "fungus" (as defined in form **CP 00 10**), wet or dry rot or bacteria.

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

- (i)** Until the property is actually repaired or replaced, at the same or another premises; and
- (ii)** Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

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

- (i)** You were required to comply with before the loss, even if the building was undamaged; and
- (ii)** You failed to comply with.

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

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

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

- (4) The most we will pay for the total of all covered losses is the building limit for the damaged building. The most we will pay for the cost to demolish and increased cost of construction is the limit shown in the Schedule of this form.

The following loss payment provisions also apply:

- (a) For demolition cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (b) With respect to the increased cost of construction:
- (i) We will not pay for the increased cost of construction until the property is actually repaired or replaced at the same or another premises and unless the repairs 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.
- (ii) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
- (iii) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

- (5) The terms of this coverage apply separately to each building to which this coverage applies.

ADDITIONAL COVERAGES are amended as follows:

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

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 the actual loss 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.

Debris Removal

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

- (4) We will pay up to the additional amount shown in the Schedule of this form for debris removal 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 the limit for Debris Removal shown on the Schedule.

The following **COVERAGE EXTENSIONS** are amended as follows:

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

Newly Acquired or Constructed Property

- (1) Buildings

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

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

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

(2) Your Business Personal Property

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

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

- (b) This Extension does not apply to:
 - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period of Coverage

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

- (a) This policy expires.
- (b) 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

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

Personal Effects and Property of Others

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

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees.
- (2) Personal property of others in your care, custody or control, including property belonging to individuals in your care.

The most we will pay for loss or damage under this Extension is the limit shown in the Schedule of this form at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. We can settle all losses with you and make all payments to you at our option. This property is not covered if it is already insured elsewhere.

A \$500 deductible applies to this Coverage.

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

Valuable Papers and Records (Other Than Electronic Data)

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

Under this Extension the most we will pay to replace or restore the lost information is the limit shown on the Schedule of this form at each described premises. Such amount is additional insurance. We will also pay 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.

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

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

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

Outdoor Property

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

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

- (1) Fire;
- (2) Lightning;

- (3) Explosion;
- (4) Riot or civil commotion;
- (5) Aircraft;
- (6) Windstorm; or
- (7) Hail.

The following are added to **COVERAGE EXTENSIONS**:

"Emergency" Vacating Expenses

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

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

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

No other exclusions in your policy apply to this Extension.

A \$500 deductible applies to this Additional Coverage.

The most we will pay for "Emergency" Vacating Expenses in any one occurrence under this Extension is the limit shown in the Schedule of this form.

Inflation Guard

If Building coverage is shown in the Declarations and the Replacement Cost Optional Coverage has been selected for the Building coverage, then the Optional Coverage - Inflation Guard as listed under Section **G.** Optional Coverages of the Building and Personal Property Coverage Form automatically applies to the building. The percentage increase for each building at each described location is the percentage shown in the Schedule of this form.

Lawn Coverage

You may extend the insurance that applies to buildings to apply to your lawns on which the property is located. The lawn exclusion in Section **A.2.h.** of the Building and Personal Property Coverage Form does not apply to this Coverage Extension.

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

Premises Limitation

The premises limitation found anywhere in the Commercial Property Coverage Part is broadened from "within 100 feet" of the described premises to "within 1000 feet" of the described premises.

Consequential Damage

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

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

Brands and Labels

If covered business personal property is damaged by a covered cause of loss, we have the option to take all or any part of the property at an agreed or appraised value. When you do not want your damaged "stock" sold under your brand or label, you may extend the insurance that applies to Your Business Personal Property to cover the cost to:

- (1) Remove the brand or label from "stock" or its containers, and relabel the "stock" to comply with the law; or
- (2) Label the damaged "stock" as salvage but, in doing so, you must cause no further damage to it.

In either case, we will pay the difference between the salvage value of the damaged "stock" with the brand or label attached, and its salvage value with the brand or label removed. In addition, we will pay your expenses for removing the brands or labels and relabeling the damaged "stock".

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

Deferred Payments

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

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

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

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

Worldwide Personal Property

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

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

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

Revised Valuation Provision

The first sentence in Section **E.7.b.** is deleted and replaced by the following:

If the cost to repair or replace the damaged building property is \$5,000 or less, we will pay the cost of building repair or replacement.

Replacement Costs - Personal Property of Others

In Section **G.3.** Replacement Costs, **b. (1)**, the reference to Personal Property of Others is deleted. This Optional Coverage may apply to personal property of others.

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

The following **EXCLUSIONS** are amended:

Continuous or Repeated Seepage

Section **B.2.f.** - Continuous or repeated seepage. This exclusion is deleted.

Liquids, Powder or Molten Metals

Section **B.2.g.** - Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment. This exclusion is deleted.

Personal Property in the Open

Section **B.2.j.** - Rain, snow, ice or sleet to personal property in the open. This exclusion is deleted.

The following **LIMITATIONS** are amended:

Building Materials and Supplies

Section **C.1.d.** - Building materials and supplies not attached as part of the building or structure. This limitation is deleted.

Builder's Machinery, Tools and Equipment

Section **C.2.c.** - Builder's machinery, tools and equipment owned by you or entrusted to you. This limitation is deleted.

Theft Loss to Furs, Fur Garments

Section **C.3.a.** - Furs, fur garments, and garments trimmed with fur. This special limit is increased to the limit shown in the Schedule of this form.

Theft Loss to Jewelry, Watches, Watch Movements

Section **C.3.b.** - Jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum, and other precious alloys or metals for loss or damage by theft. This special limit is increased to the limit shown in the Schedule of this form.

Theft Loss to Gold, Silver, Platinum, and Alloys Used in Manufacturing

Gold, silver, platinum, and other precious alloys or metals used as raw material in your manufacturing processes, for loss or damage by theft. The most we will pay under this Special Limit is the limit shown in the Schedule of this form.

Pattern, Dies and Molds

Section **C.3.c.** - Patterns, dies, molds and forms, for loss or damage by theft. This limitation is deleted.

The following **ADDITIONAL COVERAGES** are added:

Lock Replacement

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

Water Back Up of Sewers and Drains

We will pay the loss or damage caused by or resulting from water that backs up through or over-flows or is otherwise discharged from a sewer or drain.

Utility Services - Direct Damage

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

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

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

Applicable property:

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

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

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

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

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

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

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

Utility Services Business Income Coverage

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

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

Your coverage for Business Income and/or Extra Expense, as provided and limited in the applicable Coverage Form, is extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the types of property described below.

Coverage under this section does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

(1) The insurance provided by the Business Income and Extra Expense additional coverage in this endorsement is extended to include loss or damage that you incur due to the interruption of water supply, communication supply or power supply service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property:

(a) Water Supply Service means the following types of property supplying water to the described premises:

- (i) Pumping stations; and
- (ii) Water mains.

(b) Communication Supply Service means property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:

- (i) Communication transmission lines;
- (ii) Coaxial cables; and
- (iii) Microwave radio relays, except satellites.

Communication Supply Service does not include overhead communication lines.

(c) Power Supply Service means 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.

Power Supply Service does not include overhead transmission lines.

(2) We will only pay for loss you sustain after the first 12 hours following the direct physical loss or damage to the utility service property to which the endorsement applies.

No deductible applies to this Additional Coverage.

ADDITIONAL COVERAGE EXTENSIONS are amended as follows:

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

Property in Transit

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

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

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

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

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
- (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

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

EXCLUSIONS are amended as follows:

The Utility Services Exclusion is deleted in its entirety and replaced with the following:

Utility Services

The failure of power, communication, water, or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or

- (2) Originates at the described premise, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises,

except as provided in the Additional Coverage on this endorsement.

Failure of any utility service includes lack of sufficient capacity and reduction in supply. Loss or damage caused by a surge of power is excluded, if the surge would not have occurred but for an event causing a failure of power. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

THE FOLLOWING DEFINITIONS ARE ADDED AS RESPECTS THIS ENDORSEMENT:

1. "Carrier" means a person or organization who provides motor, rail or air transportation for compensation.
2. "Dependent property" means property operated by others whom you depend on to:
 - a. Deliver materials or services to you or to others for your account (Contributing Locations). With respect to Contributing Locations, services do not mean water, communication or power supply services;
 - b. Accept your products or services (Recipient Locations);
 - c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - d. Attract customers to your business (Leader Locations).
3. "Emergency" means imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to your customers, clients, residents, students, campers or users of your facility.
4. "Fine arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, stained glass windows, and similar property of rarity, historical value or artistic merit.

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

6. "Money" means:

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

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

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

a. Begin(s):

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

(2) Immediately after the time of direct physical loss or damage for Extra Expense coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends the earlier of:

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

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

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

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

(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants" as defined in **CP 00 10**.

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

9. "Rental value" means Business Income that consists of:

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

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

(1) Payroll; and

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

10. "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".

11. "Suspension" means:

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

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

All other terms and conditions remain unchanged.