

COMMERCIAL PROPERTY**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****PUBLIC ENTITY
PROPERTY ENHANCEMENT ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM****Schedule of Coverage Limits**

The following schedule is a summary of the Limits of Insurance for the various Causes of Loss provided by this endorsement. No coverage is provided by this schedule. This summary is subject to the provisions, conditions, and exclusions of the policy to which it is attached.

| Coverage | Limits of Insurance |
|--|------------------------------|
| Premises Boundary Increase | 1000 Feet |
| Fire Department Service Charge | \$5,000 |
| Arson Reward | \$5,000 |
| Backup of Sewer, Drains and Sumps | \$10,000/option to increase |
| Business Income | \$30,000/option to increase |
| Building Ordinance or Law | \$100,000/option to increase |
| Civil Authority | 3 weeks |
| Employee Dishonesty | \$10,000/option to increase |
| Errors and Omissions | \$50,000 |
| Expediting Expense | \$25,000 |
| Extra Expense | \$30,000/option to increase |
| Fire Protection Equipment Refill | \$10,000 |
| Forgery and Alteration | \$5,000/option to increase |
| Loss Data Preparations Costs | \$5,000 |
| Lost Key Consequential Loss | \$5,000 |
| Utility Services | \$10,000 |
| Newly Acquired or Constructed Property Buildings and Business Personal Property | \$1,000,000 |
| Personal Effects and Property of Others | \$10,000 |

| | |
|--|-----------------------------|
| Valuable Papers and Records (Other Than Electronic Data) | \$25,000/option to increase |
| Property Off-Premises Including Transit | \$25,000 |
| Outdoor Property | \$50,000 |

Schedule of Coverage Limits Continued

| | |
|---|-----------------------------|
| Accounts Receivable | \$25,000/option to increase |
| Computers, Software and Telephone Systems | \$50,000/option to increase |
| Money and Securities | \$10,000/option to increase |
| Outdoor Signs | \$10,000/option to increase |

CHANGES TO THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM

1. PREMISES BOUNDARY INCREASED

Any reference to distance from the described premises is changed from 100 feet to 1,000 feet.

2. THE FOLLOWING CHANGES ARE MADE TO THE ADDITIONAL COVERAGES SECTION:

a. Fire Department Service Charge – Increased Limit

The coverage limit is increased from \$1,000 to \$5,000

b. Section e. Increased Cost of Construction is deleted.

3. THE FOLLOWING ARE ADDED UNDER THE ADDITIONAL COVERAGES SECTION

g. Arson Reward – Added Coverage

We will reimburse you for an arson reward that you give to someone (other than you, your partners, or your officers) who discloses information to local law enforcement officials that leads to the conviction of a person or persons for arson at the premises described in the Declarations. The most we will pay under this Additional Coverage is \$5,000.

No deductible applies to this Additional Coverage. The amount payable under this Additional Coverage is additional insurance. The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

h. Back-up of Sewers, Drains or Sumps – Added Coverage

We will pay for direct physical loss to covered Property by water which backs up through sewers, drains or sumps, or water which enters into and overflows from within a sump pump 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.

This Additional Coverage is not subject to **Exclusion B.1., subsection g.(3)** in the **Causes of Loss – Special Form**, but only to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

The most we will pay for loss or damage under this Additional Coverage is \$10,000 unless a higher limit is shown on the Declarations

i. Business Income – Added Coverage

1. We will pay up to \$30,000, unless a higher limit is shown on the Declarations, 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 or result from a Covered Cause of Loss at the

described premises. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises includes the area within 1000 feet of the site at which the described premises are located.

2. We will only pay for loss of Business Income that you sustain during the “period of restoration”.

3. Business Income means the:

(a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no suspension of your “operations” had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and

(b) Continuing normal operating expenses incurred, including payroll.

4. The **Cause Of Loss – Special Form, B. Exclusions, Section 4. Special Exclusions** that apply to the **Extra Expense or Business Income Coverage Forms** will apply to this coverage.

5. No deductible applies to this Additional Coverage. The amount payable under this Additional Coverage is additional insurance. The Additional Condition, Coinsurance, does not apply to this additional insurance.

j. Building Ordinance or Law -- Added Coverage

1. Application of Coverages

The Ordinance or Law Coverages provided in this endorsement apply only if both sub-sections **(a)** and **(b)** below are satisfied and are then subject to the qualifications set forth in **(c)** below:

(a) The ordinance or law:

(1) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(2) Is in force at the time of loss.

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

(b) (1) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

(2) 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.

(3) 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.

(c) In the situation described in subsection **(b)(2)** above, we will not pay the full amount of loss otherwise payable under the terms of the Coverages under this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct 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 the Coverages provided under subsections **3.**, **4.**, and/or **5.** below.

2. Under this Additional Coverage, we will not pay for:

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

(b) Any costs associated with the enforcement of an 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", "fungus", wet or dry rot or bacteria.

3. Under this endorsement 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.

4. With respect to the building that has sustained covered direct physical damage, we will pay:

(a) for loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building;

(b) the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

(c) the increased cost to:

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

(2) 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,

(d) 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; and

(e) We will not pay for the increased cost of construction under this coverage:

(1) Until the property is actually repaired or replaced, at the same or another premises; and

(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years.

5. Loss Payment

(a) All the following loss payment Provisions, **5.(b)(1) through 5.(b)(3)**, are subject to the apportionment procedures set forth in Section **1.(c)** above.

(b) The most we will pay for the combined total of all covered losses for **Loss To The Undamaged Portion Of The Building**, for **Demolition Cost**, and for **Increased Cost of Construction** is \$100,000 unless a higher limit is shown on the Declarations. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

(1) With respect to loss in value of an undamaged portion of a building,

including damaged and undamaged portions:

(i) If 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 on the same premises and to the same height, floor area, style and comparable quality of the original property insured.

(ii) If the property is not being repaired or replaced, or if the Replacement Cost Option does not apply, we will not pay more than the actual cash value of the building at the time of the loss.

(2) For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

(3) With respect to 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.

6. The terms of this endorsement apply separately to each building to which this endorsement applies.

7. This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusions of the **Building and Personal Property Coverage Form** or of the **Causes Of Loss – Special Form**, to the extent that such Exclusions would conflict with the Provisions of this Additional Coverage.

8. (a) The coverage provided for Loss To The Undamaged Portion Of The Building does not increase the Limit of Insurance shown in the Declarations as applicable to the covered building.

(b) The coverage provided for Demolition Cost and for Increased Cost of Construction is in addition to the Limits Of Insurance. The Additional Condition, Coinsurance, does not apply to either coverage.

k. Civil Authority – Added Coverage

1. We will pay for the actual loss of Business Income you sustain and necessary “Extra Expense” caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

2. The coverage for Business Income will begin immediately after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

3. The coverage for necessary “Extra Expense” will begin immediately after the time of that action and ends:

(a) 3 consecutive weeks after the time of that action; or

(b) When your Business Income coverage ends;

whichever is later.

4. The definition of Business Income and "Extra Expense" contained in the Business Income and "Extra Expense" Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

I. Employee Dishonesty – Added Coverage

1. We will pay for direct loss or damage to Your 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:

(1) Any "employee"; or

(2) 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:

(1) An inventory computation; or

(2) A profit and loss computation.

3. The most we will pay for a loss or damage in any occurrence is \$10,000 unless a higher limit is shown in the Declarations. A \$250 Deductible applies to this Additional Coverage. This is an additional amount of insurance. The Additional Condition, Coinsurance, does not apply to this coverage.

4. All loss or damage:

(a) Caused by one of more persons; or

(b) 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:

(a) You; or

(b) Any of your partners, officers or directors not in collusion with the "employee"; of any dishonest act committed by that "employee" before or after being hired by you.

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 subsection 8. 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.

10. Additional Definition:

"Occurrence", as used in this section, means an:

(a) Act or series of related acts involving one or more persons; or

(b) Act or event, or series of related acts or events not involving any person.

11. Additional Exclusions:

Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:

(a) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property;

(b) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.

m. Errors and Omissions – Added Coverage

1. We will pay up to \$50,000 per occurrence for loss or damage to any property that is 100% owned by the named insured, but not scheduled under the policy.

2. This coverage only applies if said property was inadvertently left off the policy through error or omission of the named insured or their insurance agent. Property intentionally removed or left off the schedule to avoid payment of premium or for any other reason is not covered.

3. Whenever the error or omission is discovered, we will charge premium for said property back to the inception of the policy or back to when the insured acquired ownership of the property, whichever time is later.

n. Expediting Expenses – Added Coverage

1. We will pay the Expediting Expenses that you incur as a result of direct physical loss or damage to Covered Property.

2. Expediting Expenses are reasonable extra costs for temporary repairs of and for expediting the repairs or replacement of Covered Property damaged by a Covered Cause of Loss. Expediting Expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting Expenses do not include the cost incurred for the temporary rental of property, temporary replacement of damaged property, or expenses recoverable elsewhere in the Building and Personal Property Coverage Form or this Endorsement.

3. The most we will pay under this Additional Coverage for all such expenses arising from an occurrence is \$25,000.

o. Extra Expense – Added Coverage

1. When a direct loss or damage covered by this policy occurs, we will pay the actual and necessary "Extra Expense" you sustain at the described premises in the Declarations. 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. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

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

(b) Minimize the "suspension" of business if you cannot continue "operations".

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

3. The **Cause Of Loss – Special Form, B. Exclusions, Section 4. Special Exclusions**, that apply to the Extra Expense or Business Income Coverage Forms will apply to this coverage.

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

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

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

(2) Any "Extra Expense" that is paid for by other insurance.

(b) All necessary expenses that reduce the "Extra Expense" otherwise incurred.

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

6. 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.

7. The most we will pay for loss in any one occurrence is \$30,000 unless a higher limit is shown on the Declarations. No deductible applies to this additional coverage. This additional coverage is additional insurance. The Additional Condition, Coinsurance, does not apply to this additional coverage.

8. You may extend this "Extra Expense" additional coverage to apply to covered property at any location that you acquire. However, this "Extra Expense" coverage for each newly acquired location will end when any of the following first occurs:

(a) This policy expires;

(b) 90 days expire after you acquire the property; or

(c) You report the location to us.

9. Additional Definition:

"Suspension" means the slowdown or cessation of your business activities.

p. Fire Protection Equipment Refill– Added Coverage

We will pay:

1. expenses you incur for the recharging or refilling of your automatic fire extinguishing equipment after such equipment is discharged as a result of a fire to your Covered Property;
2. for loss or damage to Covered Property if caused by the accidental discharge of fire suppressant chemicals from your automatic fire extinguishing system. This limit may be used to cover the additional expense you incur to recharge such systems following a covered accidental discharge; or
3. cost you incur to recharge or refill portable fire extinguishing equipment after being used to fight a fire to your Covered Property.

The most we will pay under this additional coverage is \$10,000 each occurrence at your described premises. No deductible applies to this Additional Coverage. The amount payable under this Additional Coverage is additional insurance. The Additional Condition, Coinsurance, does not apply to this additional insurance.

q. Forgery and Alteration – Added Coverage

1. We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in “money”, that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
2. If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in “money”, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
3. The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$5,000 unless a higher limit is shown on the Declarations.
4. No deductible is applicable to this Additional Coverage. This is an additional amount of insurance. The Additional Condition, Coinsurance, does not apply to this coverage.

r. Loss Data Preparation Cost – Added Coverage

We will pay the reasonable costs you incur, up to \$5,000, in collecting and preparing loss data required by applicable policy conditions or requested by us. This includes the cost of taking inventory, getting appraisals, and preparing other data in order to determine the extent of the loss. This coverage does not apply to costs incurred under the Appraisal Provision Loss Condition. No deductible is applicable to this Additional Coverage. This is an additional amount of insurance. The Additional Condition, Coinsurance, does not apply to this coverage.

s. Lost Key Consequential Loss – Added Coverage

If a master or grand master key is lost or damaged by a Covered Cause of Loss, we will pay for the actual cost of keys, the cost of adjusting locks to accept new keys, or the cost of new locks, if required, of the like kind and quality including the cost of their installation. The most we will pay under the Additional Coverage for all amounts incurred is \$5,000. No deductible is applicable to this Additional Coverage. This is an additional amount of insurance. The Additional Condition, Coinsurance, does not apply to this coverage.

t. Utility Services – Added Coverage

1. We will cover loss or damage caused by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.
2. This Additional Coverage is not subject to **Exclusion B.1., subsection e.** in the **Causes of Loss – Special Form**, but only to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
3. The most we will pay under this coverage is \$10,000 per occurrence.

4. THE FOLLOWING ARE CHANGED UNDER THE COVERAGE EXTENSIONS:

a. Newly Acquired Or Constructed Property

1. The most we will pay for buildings of \$250,000 and the most we will pay for business personal property of \$100,000 is deleted and replaced with the following:

The most we will pay for loss or damage under this Coverage Extension for both Building and Personal Property combined is \$1,000,000.

2. The number of days under **Period of Coverage** is increased from 30 days to 90 days.

b. Personal Effects and Property of Others

This section is deleted and replaced by the following:

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". This includes tools owned by your "employees" that are used in your business while such tools are located in or on building(s) described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises,

2. Personal Property of Others in your care, custody or control. This includes property that you have sold which is awaiting delivery or installation.

However, this Extension does not apply if the loss is covered by other insurance, whether collectible or not.

3. For Personal Property of Others, **Section G.4. Extension Of Replacement Cost To Personal Property Of Others**, is applicable.

4. Additional Definition:

"Personal Property of Others" means personal property that you do not own. It does not include:

(a) Personal property that belongs you, your officers, your partners or members, your managers or your "employees"; or

(b) Business Personal Property leased from others.

5. 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 will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

The most we will pay under this Coverage Extension is increased from \$2,500 to \$25,000 at each described premises unless a higher limit is shown on the Declarations.

d. Property Off-Premises

This section is deleted and replace with the following:

You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is in transit or it is at a location that you don't own, lease or operate.

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

The **Property in Transit** section under **Additional Coverage Extensions** in the **Causes of Loss – Special Form** is deleted.

e. Outdoor Property

The **Outdoor Property Section** is deleted and replaced by the following:

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

1. Fire;
2. Lightning;
3. Explosion;
4. Riot or Civil Commotion;
5. Aircraft;

The most we will pay for loss or damage under this Extension is \$50,000. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

The amount payable under this Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

5. THE FOLLOWING ARE ADDED TO THE COVERAGE EXTENSIONS:**g. Accounts Receivable – Added Extension**

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

(a) All amounts due from your customers that you are unable to collect;

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

(c) Collection expenses in excess of your normal collection expenses that are made necessary by "loss"; and

(d) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from Covered Causes of Loss to your records of accounts receivable located at the "premises" shown in the Declarations.

2. If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage from a Covered Cause of Loss, we will pay for accidental loss or damage while they are:

(a) At a safe place away from your premises; or

(b) Being taken to or returned from that place.

3. (a) None of Section **B Exclusions** of the **Causes of Loss -- Special Form** apply to Accounts Receivable coverage provided by this Extension except:

- (1) **B.1.a.** -- Ordinance or Law;
- (2) **B.1.c.** -- Governmental Action;
- (3) **B.1.d.** -- Nuclear Hazard;
- (4) **B.1.f.** -- War and Military Action;
- (5) **B.2.a.** -- Artificially Generated Electric Current;
- (6) **B.2.b.** -- Delay, loss of use, loss of market;
- (7) **B.2.h.** -- Dishonest Acts;
- (8) **B.2.i.** -- Voluntary Parting;
- (9) **B.2.k.** -- Collapse, except as provided in the Additional Coverage for Collapse;
- (10) **B.3.** -- Other Types of Losses

(b) The following Exclusions are in addition to the **Cause of Loss -- Special Form** Exclusions applicable to this extension:

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

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

(2) Bookkeeping, accounting or billing errors or omissions.

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

(i) Programming errors or faulty machine instructions;

(ii) Faulty installation or maintenance of data processing equipment or component parts;

(iii) An Occurrence that took place more than 1,000 feet from your "premises"; or

(iv) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 1,000 feet from your "premises".

(4) Unauthorized instructions to transfer property to any person or to any place.

(5) "Loss" that requires any audit of records or any inventory computation to prove its factual existence.

4. The following is added to section **E. Loss Conditions -- 7. Valuation:**

f. (1) If you cannot accurately establish the amount of accounts receivable outstanding as of time of "loss", the following method will be used:

(a) Determine the total of the average monthly amount of accounts receivable for the 12 months immediately preceding the month in which the "loss" occurs; and

(b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the "loss" occurred or for any demonstrated variance from the average for that month.

(2) The following will be deducted from the total amount of accounts receivable, however that amount is established:

(a) The amount of accounts for which there is no "loss";

(b) The amount of the accounts that you are able to re-establish or collect:

(c) An amount to allow for probable bad debts that you are normally unable to collect; and

(d) All unearned interest and service charges.

5. Additional Definitions:

(a) "Premises" as used in this Accounts Receivable Extension means that interior portion of the building at the address shown in the Declarations that you occupy for your business.

(b) "Loss" as used in this Accounts Receivable Extension means accidental loss or damage.

6. The most we will pay for "loss" in any one occurrence under this Extension is \$25,000 unless a higher limit is shown on the Declarations.

7. The amount payable under this Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

h. Computers, Software and Telephone Systems -- Added Extension

1. You may extend the insurance that applies to Your Business Personal Property to apply at the described premises in the Declarations to “electronic data processing hardware”, “voice communications equipment”, “data” and “media”:

- (a) Owned by you (other than your “stock”);
- (b) Owned by others, but leased to you; or
- (c) Owned by others but in your care, custody or control (other than your “stock”).

2. Under this Extension the following additional causes of loss are covered:

(a) Changes in your electrical power supply, including interruption, power surge, blackout or brownout;

(b) Dampness or dryness of atmosphere or changes in or extremes of temperature caused by damage from a covered cause of loss to an air conditioning unit or system, including equipment and parts, which is part of or used with a data processing system;

(c) Short circuit, blowout, or other electrical disturbance within the “electronic data processing hardware”;

(d) Electrical or magnetic injury, disturbance, or erasure of electronic recordings;

(e) Floods, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; and

(f) Earth movement, such as an earthquake, landslide or earth sinking, rising or shifting.

3. We will **not** cover loss resulting directly or indirectly from:

- (a) Input, programming or processing errors;
- (b) Faulty construction, material or workmanship;
- (c) Error, omission or deficiency in design;

4. The exclusions listed below in Section **B. Exclusions** of the **Causes of Loss -- Special Form** do not apply to coverage provided by this Extension. However, coverage provided by this subsection does not apply if the loss or damage is covered by any other insurance, whether collectible or not.

(a) **B.1.b.** subparagraph (1) -- Earth Movement

(b) **B.1.g.** subparagraph (1) -- Water

(c) **B.2.a.** -- Artificially generated electrical current

(d) **B.2.d.(6)** -- Mechanical Breakdown

(e) **B.2.d.(7)(a)(b)(c)** -- Dampness or dryness of atmosphere; changes or extremes of temperature, but only caused by damage from a covered cause of loss to an air conditioning unit or system, including equipment and parts, which is part of or used with a data processing system; and marring and scratching.

5. The value of “data” and “media” under this Extension will be either:

- (a) The actual cost of reproducing or replacing the lost or damaged “data” and “media” if

you actually reproduce or replace them; or

(b) The cost to replace the blank “media” with substantially identical property.

6. We will not cover “data” and “media” which cannot be replaced or reproduced with others of the same kind or quality.

7. Additional Definitions:

(a) “Electronic Data Processing Equipment” means network or machine components such as mainframe, midrange, personal and portable computers, workstations and file servers, capable of accepting information or converted material, processing it according to a plan or program and producing the desired results.

(b) “Data” is a fact, concept or instruction that is converted into a form that can be used in a data processing operation. It includes computer software programs but not “media”.

(c) “Media” is the material on which “data” is recorded, such as magnetic tapes, disk packs, drums, paper tapes, cards and programs. This includes the “data” stored on the “media”. But “media” does not include memory chips within computers or peripheral devices.

(d) “Voice and Data Communication Equipment” means telephones, telephone switchboards and related equipment and component parts whose function is the transmission of voice communications and/or electronic messages or digital data.

8. Deductibles

(a) \$1,000 Deductible applies to loss or damage caused by or resulting from mechanical breakdown; power interruption; power surge; blackout; brownout; short circuit; blowout; electrical disturbance within the “hardware”; or electrical or magnetic injury, disturbance or erasure of electronic recordings.

(b) \$250 Deductible applies to any covered cause of loss not described in **8. (a)** above.

9. The most we will pay under this extension is \$50,000 per occurrence unless a higher limit is shown in the Declarations. This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

i. Money and Securities -- Added Extension

1. We will pay for loss of “money” and “securities” used in your business caused by theft (meaning any act of stealing), disappearance or destruction. The most we will pay for loss in any one “occurrence” under this Extension is \$10,000 unless a higher limit is shown on the Declarations

2. Additional Exclusions Applicable to “Money” and “Securities”:

We will not pay for loss as specified below:

(a) Loss resulting from accounting or arithmetical errors or omissions;

(b) Loss resulting from the giving or surrendering of property in any exchange or purchase.

(c) Loss 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.

(d) Loss resulting from any dishonest or criminal act committed by you or any of your directors, trustees or authorized representatives:

(1) Acting alone or in collusion with other persons; or

(2) While performing services for you or otherwise.

(e) Loss of property after it has been transferred or surrendered to a person or place outside the “premises” or “banking premises”.

- (1) On the basis of unauthorized instructions; or
- (2) As a result of a threat to do:
 - (i) Bodily harm to any person; or
 - (ii) Damage to any property.

(3) But, this exclusion does not apply to loss of “money” and “securities” while outside the “premises” or “banking premises” in the care and custody of a “messenger” if you:

- (i) Had no knowledge of any threat at the time the conveyance began; or
- (ii) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

(f) Loss that is an indirect result of any act or “occurrence” covered by this additional coverage, including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, “money” or “securities”; or
- (2) Payment of damages of any type for which you are legally liable.

3. Additional Conditions:

(a) The reference to “money” and “securities” in subsection **A. Property Not Covered 2.** a. does not apply to the coverage provided by this Additional Coverage.

(b) You must keep records of all “money” and “securities” so we can verify the amount of loss or damage.

(c) The following is added to **E. Loss Conditions -- 7. Valuation:**

(1) For “money”, at face value, or, at our option, its dollar equivalent (if from a country other than the United States) based on exchange rates in effect when the loss occurred.

(2) For “securities”, the value of the “securities” as of the close of business on the day when the loss occurred, or the value of replacing the “securities” in kind, whichever is less. If replaced in kind, you must assign to us all your rights, title and interest in and to those “securities”. We will not pay for the loss of income, interest, or dividends that occur as a result of the loss of “securities”.

4. Additional Definitions:

(a) “Banking Premises” means the interior of that portion of any building occupied by a banking institution or similar safe depository.

(b) “Messenger” means you, any of your partners or any “employee” while having care and custody of the property outside the “premises”.

(c) “Occurrence” as used in the “Money” and “Securities” extension means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person.

(d) “Premises” as used in this “Money” and “Securities” Extension means the interior of that portion of any building you occupy in conducting your business.

5. A \$250 Deductible applies to this Additional Coverage. This Additional Coverage is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

j. Outdoor Signs – Added Extension

1. We will pay for loss or damage caused by a Covered Cause of Loss to signs at the described premises:

- (a) Owned by you; or
- (b) Owned by others in your care, custody or control.

2. **Section 1.** under **B. Exclusions** of the **Causes of Loss – Special Form** does not apply to this Additional Coverage, except for:

- (a) **B.1.c.**, Governmental Action;
- (b) **B.1.d.**, Nuclear Hazard; and
- (c) **B.1.f.**, War And Military Action.

3. **Section 2.** under **B. Exclusions** of the **Causes of Loss – Special Form** does not apply to this Additional Coverage, except for:

- (a) **B.2.b.**, Delay, loss of use or loss of market;
- (b) **B.2.c.**, Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to change or destroy itself;
- (c) **B.2.d (1) through (7)**, various causes; and,
- (d) **B.2.m.**, Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

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

- (a) Dampness or dryness of atmosphere;
- (b) Changes in extremes of temperature
- (c) Marring or scratching; or
- (d) Rain, snow, ice or sleet.

5. The reference to outdoor signs attached to buildings in the Limits of Insurance section of the Building and Personal Property Coverage Form is deleted.

6. The most we will pay under this Additional Coverage is \$10,000 in any one occurrence unless a higher limit is shown on the Declarations. A \$250 deductible applies to this additional coverage. This is an additional amount of insurance. The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

6. ADDITIONAL DEFINITIONS

a. "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:

(a) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(b) Director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

b. "Money" means:

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

c. "Operations" means:

Your business activities occurring at described premises; and the tenantability of the insured locations.

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

1. Begins:

(a) 48 hours after the necessary suspension of your "operations"; or

(b) Immediately after the necessary suspension of your "operations" for "Extra Expense" Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

2. Ends on the earlier of:

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

(b) The date when your "operations" are resumed at the described premises or at a new permanent location.

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

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

(b) 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".

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

1. Tokens, tickets, revenue and other stamps whether or not in current use; and

2. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue; but does not include "money".