

AUGUST 13, 2020

Compliance Circulation Notification

Cyber Incident Exclusion Endorsements

Circular Number

BP-2020-07

Effective Date

These changes are applicable to all policies effective on or after

February 1, 2021

WSRB Reference Filing Numbers

BP-2020-OCYFR
BP-2020-RCYRU

Got Questions?

Compliance Department
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Seattle, WA 98121

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Changes

These filings include new and revised Businessowners endorsements and rules for the exclusion of loss or damage by a cyber incident.

Company Action

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are NOT required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to NOT use our revision, you must make an appropriate submission with the Insurance Department.

In all correspondence with the Insurance Department regarding this revision, include the WSRB Reference Filing Number, not this Circular number.

Manual Distribution

Insurance Services Office, Inc. will print and distribute revised manual pages prior to the effective date. A complete copy of the filing is available on the WSRB website using the Compliance Filings Library. Circular notification is available by e-mail only.

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State:	Washington	Filing Company:	Washington Surveying and Rating Bureau
TOI/Sub-TOI:	05.0 CMP Liability and Non-Liability/05.0002 Businessowners		
Product Name:	Cyber Incident Exclusion Endorsements		
Project Name/Number:	Cyber Incident Exclusion Endorsements/BP-2020-OCYFR		

Filing at a Glance

Company:	Washington Surveying and Rating Bureau
Product Name:	Cyber Incident Exclusion Endorsements
State:	Washington
TOI:	05.0 CMP Liability and Non-Liability
Sub-TOI:	05.0002 Businessowners
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Requested (Renewal):	
Author(s):	Jim Antush
Reviewer(s):	Dennis Godwin (primary)
Disposition Date:	08/06/2020
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State: Washington **Filing Company:** Washington Surveying and Rating Bureau
TOI/Sub-TOI: 05.0 CMP Liability and Non-Liability/05.0002 Businessowners
Product Name: Cyber Incident Exclusion Endorsements
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General Information

Project Name: Cyber Incident Exclusion Endorsements
Project Number: BP-2020-OCYFR
Reference Organization:
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Status of Filing in Domicile:
Domicile Status Comments:
Reference Number:
Advisory Org. Circular:
Company Status Changed: 08/06/2020
Deemer Date:
Submitted By: Jim Antush

Filing Description:

This filing introduces two new Businessowners endorsements for the exclusion of loss or damage by a cyber incident and a revised Spoilage Coverage endorsement to include the cyber incident exclusion

Company and Contact

Filing Contact Information

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Filing Company Information

Washington Surveying and Rating Bureau	CoCode:	State of Domicile: Washington
2101 4th Avenue, Suite 300	Group Code:	Company Type: Rating
Seattle, WA 98121	Group Name:	Organization - Property
(206) 217-9772 ext. [Phone]	FEIN Number: 74-3049163	State ID Number: 1425

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State Specific

Is the Co Tracking # field populated on the General Information Tab? (yes/no): Yes

Form Tab Only - Are the Form # and Form Description fields populated corresponding to the attached form? (yes/no): Yes

State:	Washington	Filing Company:	Washington Surveying and Rating Bureau
TOI/Sub-TOI:	05.0 CMP Liability and Non-Liability/05.0002 Businessowners		
Product Name:	Cyber Incident Exclusion Endorsements		
Project Name/Number:	Cyber Incident Exclusion Endorsements/BP-2020-OCYFR		

Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data		Readability Score	Attachments
1	Approved 08/06/2020	Spoilage Coverage	BP 04 15	02 21	END	Replaced	Previous Filing Number:	BP-2012-OFR12		BP 04 15 02 21 - Final Print.pdf
							Replaced Form Number:	BP 04 15 07 13		
2	Approved 08/06/2020	Cyber Incident Exclusion	BP 15 60	02 21	END	New				BP 15 60 02 21 - Final Print.pdf
3	Approved 08/06/2020	Cyber Incident Exclusion With Ensuing Cause(s) Of Loss Exceptions	BP 15 61	02 21	END	New				BP 15 61 02 21 - Final Print.pdf

Form Type Legend:

ABE	Application/Binder/Enrollment	ADV	Advertising
BND	Bond	CER	Certificate
CNR	Canc/NonRen Notice	DEC	Declarations/Schedule
DSC	Disclosure/Notice	END	Endorsement/Amendment/Conditions
ERS	Election/Rejection/Supplemental Applications	OTH	Other

POLICY NUMBER:

BUSINESSOWNERS
BP 04 15 02 21**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****SPOILAGE COVERAGE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Refrigeration Maintenance Agreement	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Description Of Perishable Stock:			
Causes Of Loss ("X" which one applies.)		Limit Of Insurance	Deductible
<input type="checkbox"/> Breakdown Or <input type="checkbox"/> Power Outage Contamination		\$	\$
Premises Number	Building Number	Refrigeration Maintenance Agreement	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Description Of Perishable Stock:			
Causes Of Loss ("X" which one applies.)		Limit Of Insurance	Deductible
<input type="checkbox"/> Breakdown Or <input type="checkbox"/> Power Outage Contamination		\$	\$
Premises Number	Building Number	Refrigeration Maintenance Agreement	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Description Of Perishable Stock:			
Causes Of Loss ("X" which one applies.)		Limit Of Insurance	Deductible
<input type="checkbox"/> Breakdown Or <input type="checkbox"/> Power Outage Contamination		\$	\$
Section I – Property is extended to insure against direct physical loss of or damage to "perishable stock" indicated in the Schedule, caused by the Covered Cause(s) of Loss, as provided by this endorsement.			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

The following provisions (A. through I. inclusive) apply to the coverage provided by this endorsement:

A. Paragraph A.1. Covered Property in Section I – Property is replaced by the following:

1. Covered Property

Covered Property means "perishable stock" shown in the Schedule at the described premises, if the "perishable stock" is:

- a. Owned by you and used in your business; or
- b. Owned by others and in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition E.5.d.(3)(b).

B. The following is added to Paragraph A.2. Property Not Covered in Section I – Property:

k. Property located:

- (1) On buildings;
- (2) In the open; or
- (3) In vehicles.

C. Paragraph A.3. Covered Causes Of Loss in Section I – Property is replaced by the following:

3. Covered Causes Of Loss

Subject to the exclusions described in Paragraph E. of this endorsement, Covered Causes of Loss means the following, as indicated in the Schedule:

a. Breakdown or Contamination, meaning:

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

Mechanical breakdown and mechanical failure do not mean power interruption, regardless of how or where the interruption is caused and whether or not the interruption is complete or partial.

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

D. Paragraph A.6. Coverage Extensions in Section I – Property does not apply.

E. Paragraph B. Exclusions in Section I – Property is replaced by the following:

B. Exclusions

- 1. Of the exclusions contained in Paragraph B.1. in Section I – Property, only the following apply to Spoilage Coverage:

- b. Earth Movement;
- c. Governmental Action;
- d. Nuclear Hazard;
- f. War And Military Action;
- g. Water; and

the Cyber Incident Exclusion or the Cyber Incident Exclusion With Ensuing Cause(s) Of Loss Exceptions, whichever applies.

- 2. The following exclusions are added:

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

- a. The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- b. 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.
- c. The inability of an electrical utility company or other power source to provide sufficient power due to:
 - (1) Lack of fuel; or
 - (2) Governmental order.
- d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- e. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

F. Paragraph D. Deductibles in Section I – Property is replaced by the following:

D. Deductibles

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this endorsement.

G. Conditions

1. Under **Property Loss Conditions** in **Section I – Property**, Item **d.** of Condition **5. Loss Payment** is replaced by the following:

d. We will determine the value of Covered Property as follows:

- (1) For "perishable stock" you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had;
- (2) For other "perishable stock", at actual cash value.

2. The following condition applies in addition to the **Property Loss Conditions** (as modified in 1. above) and **Property General Conditions** in **Section I – Property** and **Section III – Common Policy Conditions**:

Additional Condition – Refrigeration Maintenance Agreements

If Breakdown or Contamination is designated as a Covered Cause of Loss and a refrigeration maintenance agreement is shown as applicable in the Schedule, the following condition applies:

You must maintain a refrigeration maintenance or service agreement as described below. If you voluntarily terminate this agreement and do not notify us within 10 days, the insurance provided by this endorsement under the Breakdown or Contamination Covered Cause of Loss will be automatically suspended at the location involved.

However, coverage provided by this endorsement is restored upon:

- a.** Reinstatement of the applicable refrigeration maintenance or service agreement; or
- b.** Procurement of a replacement refrigeration maintenance or service agreement.

A refrigeration maintenance agreement means a written service contract, between you and the refrigeration service organization, which provides for regular periodic inspection of the refrigeration equipment at the insured location, and the servicing and repair of the equipment, including emergency response at the insured location.

- H.** Paragraph **G. Optional Coverages** in **Section I – Property** does not apply.

- I.** The following is added to Paragraph **H. Property Definitions** in **Section I – Property**:

"Perishable stock" means property:

- a.** Maintained under controlled temperature or humidity conditions for preservation; and
- b.** Susceptible to loss or damage if the controlled temperature or humidity conditions change.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section I – Property is amended as follows:

A. The following exclusion is added to Paragraph B. Exclusions:

We will not pay for loss or damage caused directly or indirectly by 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.

Cyber Incident

1. Unauthorized access to or use of any computer system (including "electronic data").
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including "electronic data") and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including "electronic data") or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

- a. Additional Coverage – Electronic Data; or
- b. Additional Coverage – Interruption Of Computer Operations.

3. Computer Fraud And Funds Transfer Fraud Endorsement

The exclusion in Paragraph **A.** does not apply to the Computer Fraud And Funds Transfer Fraud endorsement when attached to your policy.

4. Electronic Commerce Endorsement

The exclusion in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

5. Information Security Protection Endorsement

The exclusion in Paragraph **A.** does not apply to the Information Security Protection Endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism:

Vandalism does not include a cyber incident as described in Paragraph **A.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION WITH ENSUING CAUSE(S) OF LOSS EXCEPTIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Limits Of Insurance (For Cause(s) Of Loss Other Than Fire Or Explosion)	
Cyber Incident Loss Or Damage To Covered Property Coverage	
Per Occurrence Limit Of Insurance For Cyber Incident Loss Or Damage To Covered Property Coverage:	\$
Cyber Incident Business Income Coverage	
Per Occurrence Limit Of Insurance For Cyber Incident Business Income Coverage:	\$
Cyber Incident Extra Expense Coverage	
Per Occurrence Limit Of Insurance For Cyber Incident Extra Expense Coverage:	\$
Cyber Incident Aggregate Limit Of Insurance	
Aggregate Limit Of Insurance For Cyber Incident Loss Or Damage To Covered Property Coverage, Cyber Incident Business Income Coverage and Cyber Incident Extra Expense Coverage:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section I – Property is amended as follows:

A. The following exclusion is added to **B. Exclusions:**

We will not pay for loss or damage caused directly or indirectly by 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.

Cyber Incident

1. Unauthorized access to or use of any computer system (including "electronic data").
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including "electronic data") and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including "electronic data") or otherwise disrupt its normal functioning or operation.

3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Other Causes Of Loss

- a. If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in:

- (1) A Covered Cause of Loss, other than fire or explosion; and, if made part of the Policy, other than Flood, Breakdown or Contamination or Power Outage, if this Policy is written on a Named Perils basis.

Paragraphs **B.2.a.(2)** and **(3)** do not apply if this Policy is written on a Named Perils basis;

- (2)** A "specified cause of loss", other than fire or explosion; or
 - (3)** Theft, and
- b.** A per occurrence Limit Of Insurance is shown in the Schedule of this endorsement for:
 - (1)** Cyber Incident Loss Or Damage To Covered Property Coverage, we will pay for the loss or damage caused by the cause of loss as listed in Paragraphs **B.2.a.(1)** through **B.2.a.(3)**, whichever applies;
 - (2)** Cyber Incident Business Income 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 Covered Property at the premises described in the Declarations. The loss or damage must be caused by or result from a cause of loss as listed in Paragraphs **B.2.a.(1)** through **B.2.a.(3)**, whichever applies; and
 - (3)** Cyber Incident Extra Expense Coverage, we will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to Covered Property at the premises described in the Declarations. The loss or damage must be caused by or result from a cause of loss as listed in Paragraphs **B.2.a.(1)** through **B.2.a.(3)**, whichever applies.
- 3.** The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:
 - a.** Additional Coverage – Electronic Data; or
 - b.** Additional Coverage – Interruption Of Computer Operations.

4. Computer Fraud And Funds Transfer Fraud Endorsement

The exclusion in Paragraph **A.1.** does not apply to the Computer Fraud And Funds Transfer Fraud endorsement when attached to your policy.

5. Electronic Commerce Endorsement

The exclusion in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

6. Information Security Protection Endorsement

The exclusion in Paragraph **A.** does not apply to the Information Security Protection Endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism:

Vandalism does not include a cyber incident as described in Paragraph **A.**

D. Limits Of Insurance

- 1.** Subject to Paragraph **D.2.**, the most we will pay for loss or damage under each of the coverages shown in Paragraphs **B.2.b.(1)** through **B.2.b.(3)**, in any one occurrence, is the per occurrence Limit Of Insurance shown in the Schedule of this endorsement for each coverage.
- 2.** The Cyber Incident Aggregate Limit Of Insurance, if shown in the Schedule of this endorsement, is the most we will pay for the total of all loss or damage for the coverages shown in the Schedule of this endorsement, caused by all occurrences in a 12-month period (starting with the beginning of the present annual policy period), regardless of the number of occurrences during that period of time.
- 3.** The limit(s) of insurance described in Paragraphs **D.1.** and **D.2.** above are part of, not in addition to, the applicable Limits Of Insurance shown in the Declarations.

Cyber Incident Exclusion Endorsements Introduced

About This Filing

This filing introduces two endorsements for the exclusion of loss or damage by a cyber incident and revises one endorsement for use with ISO's Businessowners program.

New Forms

We are introducing the following forms:

- ◆ BP 15 60 02 21 – Cyber Incident Exclusion
- ◆ BP 15 61 02 21 – Cyber Incident Exclusion With Ensuing Cause(s) Of Loss Exceptions

Revised Form

We are revising BP 04 15 07 13 – Spoilage Coverage.

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the 07 13 edition to the 02 21 edition. Concurrent with implementation, the 02 21 edition will supersede the 07 13 edition.

Related Filing(s)

The following companion filing is being filed with a concurrent effective date:

- ◆ BP-2020-RCYRU (Rules)

Refer to the companion rules filing module titled Multistate Rules Introduced To Accommodate New Cyber Incident Exclusion Endorsements.

Background

The cyber exposures of today were not contemplated when ISO developed the coverages reflected in its Businessowners program over 30 years ago.

Under ISO's Businessowners Coverage Form BP 00 03, *Covered Causes of Loss* means direct physical loss unless the loss is excluded or limited under Section I – Property. ISO's Named Perils Endorsement BP 10 09 provides an expressed list of the Covered Causes Of Loss, which is then followed by various limitations or exclusions.

Explanation of Changes

We are introducing the above-mentioned mandatory exclusionary endorsements to add an exclusion to explicitly address a cyber incident, for ISO's Businessowners program. It is mandatory that either Cyber Incident Exclusion Endorsement BP 15 60 or Cyber Incident Exclusion With Ensuing Cause(s) Of Loss Exceptions Endorsement BP 15 61 be attached to all policies.

◆ BP 15 60 – Cyber Incident Exclusion

This endorsement:

- Modifies insurance provided under ISO's Businessowners Coverage Form.
- Is added to Paragraph B. Exclusions and generally excludes loss or damage to Covered Property caused directly or indirectly by a cyber incident, regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
- Provides a meaning for a cyber incident that includes, as detailed in the exclusion itself, unauthorized access, a malicious code or virus, or a denial of service attack.
- Contains an exception to the exclusion with respect to loss or damage caused by fire or explosion resulting from a cyber incident. Such coverage is subject to the full applicable policy limits provided in the Declarations.
- Contains an exception so as to not apply the exclusion to the extent that coverage is provided in the Additional Coverage – Electronic Data or Additional Coverage – Interruption Of Computer Operations.
- Contains an exception so as to not apply the exclusion to the following endorsements when attached to a policy:
 - ◇ BP 05 47 – Computer Fraud And Funds Transfer Fraud;
 - ◇ BP 05 94 – Electronic Commerce (E-Commerce); and
 - ◇ BP 15 07 – Information Security Protection.
- Reinforces that cause of loss – vandalism does not include a cyber incident as described in the exclusion.

◆ **BP 15 61 – Cyber Incident Exclusion With Ensuing Cause(s) Of Loss Exceptions**

This endorsement contains all the design attributes of endorsement **BP 15 60** while in addition containing a number of notable provisions including:

- Additional Other Causes Of Loss resulting from a cyber incident exception that may be made subject to individual per occurrence sublimits entered into the Schedule of the endorsement for property damage, business income and extra expense.
- An option for the aforementioned sublimits to be subject to a scheduled single aggregate limit of insurance for the total of all loss or damage for the coverages shown in the Schedule caused by all occurrences in a 12-month period.
- An exception for a cyber incident resulting in the following Other Causes Of Loss:
 - ◇ If the policy is written on a Named Perils basis, a Covered Cause of Loss other than fire or explosion; and, if made part of the policy, other than Flood, Breakdown or Contamination or Power Outage;
 - ◇ If the policy is not written on a Named Perils basis:
 - A *specified cause of loss* other than fire or explosion; and
 - Theft.
- The per occurrence limits of insurance and the aggregate limit of insurance if shown in the Schedule are part of, not in addition to, the applicable Limits Of Insurance shown in the Declarations.

◆ **BP 04 15 – Spoilage Coverage**

We are also taking this opportunity to revise Paragraph E. of this endorsement to include a provision that the Cyber Incident Exclusion or the Cyber Incident Exclusion With Ensuing Cause(s) Of Loss Exceptions applies with respect to Spoilage Coverage when attached to a policy.

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POLICY NUMBER:

BUSINESSOWNERS
BP 04 15 02 21

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPOILAGE COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Refrigeration Maintenance Agreement	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Description Of Perishable Stock:			
Causes Of Loss ("X" which one applies.)		Limit Of Insurance	Deductible
<input type="checkbox"/> Breakdown Or Contamination	<input type="checkbox"/> Power Outage	\$	\$
Premises Number	Building Number	Refrigeration Maintenance Agreement	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Description Of Perishable Stock:			
Causes Of Loss ("X" which one applies.)		Limit Of Insurance	Deductible
<input type="checkbox"/> Breakdown Or Contamination	<input type="checkbox"/> Power Outage	\$	\$
Premises Number	Building Number	Refrigeration Maintenance Agreement	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Description Of Perishable Stock:			
Causes Of Loss ("X" which one applies.)		Limit Of Insurance	Deductible
<input type="checkbox"/> Breakdown Or Contamination	<input type="checkbox"/> Power Outage	\$	\$
Section I – Property is extended to insure against direct physical loss of or damage to "perishable stock" indicated in the Schedule, caused by the Covered Cause(s) of Loss, as provided by this endorsement.			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

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The following provisions (A. through I. inclusive) apply to the coverage provided by this endorsement:

A. Paragraph A.1. Covered Property in Section I – Property is replaced by the following:

1. Covered Property

Covered Property means "perishable stock" shown in the Schedule at the described premises, if the "perishable stock" is:

- a. Owned by you and used in your business; or
- b. Owned by others and in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition E.5.d.(3)(b).

B. The following is added to Paragraph A.2. Property Not Covered in Section I – Property:

- k. Property located:
 - (1) On buildings;
 - (2) In the open; or
 - (3) In vehicles.

C. Paragraph A.3. Covered Causes Of Loss in Section I – Property is replaced by the following:

3. Covered Causes Of Loss

Subject to the exclusions described in Paragraph E. of this endorsement, Covered Causes of Loss means the following, as indicated in the Schedule:

- a. Breakdown or Contamination, meaning:
 - (1) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus or equipment is at the described premises shown in the Schedule; or
 - (2) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises shown in the Schedule.

Mechanical breakdown and mechanical failure do not mean power interruption, regardless of how or where the interruption is caused and whether or not the interruption is complete or partial.

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

D. Paragraph A.6. Coverage Extensions in Section I – Property does not apply.

E. Paragraph B. Exclusions in Section I – Property is replaced by the following:

B. Exclusions

- 1. Of the exclusions contained in Paragraph B.1. in **Section I – Property**, only the following apply to **Spoilage Coverage**:

- b. Earth Movement;
- c. Governmental Action;
- d. Nuclear Hazard;
- f. War And Military Action; and
- g. Water-; and

the Cyber Incident Exclusion or the Cyber Incident Exclusion With Ensuing Cause(s) Of Loss Exceptions, whichever applies.

- 2. The following exclusions are added:

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

- a. The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- b. 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.
- c. The inability of an electrical utility company or other power source to provide sufficient power due to:
 - (1) Lack of fuel; or
 - (2) Governmental order.
- d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- e. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

F. Paragraph D. Deductibles in Section I – Property is replaced by the following:

D. Deductibles

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this endorsement.

G. Conditions

1. Under **Property Loss Conditions** in **Section I – Property**, Item **d.** of Condition **5. Loss Payment** is replaced by the following:

d. We will determine the value of Covered Property as follows:

- (1) For "perishable stock" you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had;
- (2) For other "perishable stock", at actual cash value.

2. The following condition applies in addition to the **Property Loss Conditions** (as modified in 1. above) and **Property General Conditions** in **Section I – Property** and **Section III – Common Policy Conditions**:

Additional Condition – Refrigeration Maintenance Agreements

If Breakdown or Contamination is designated as a Covered Cause of Loss and a refrigeration maintenance agreement is shown as applicable in the Schedule, the following condition applies:

You must maintain a refrigeration maintenance or service agreement as described below. If you voluntarily terminate this agreement and do not notify us within 10 days, the insurance provided by this endorsement under the Breakdown or Contamination Covered Cause of Loss will be automatically suspended at the location involved.

However, coverage provided by this endorsement is restored upon:

- a.** Reinstatement of the applicable refrigeration maintenance or service agreement; or
- b.** Procurement of a replacement refrigeration maintenance or service agreement.

A refrigeration maintenance agreement means a written service contract, between you and the refrigeration service organization, which provides for regular periodic inspection of the refrigeration equipment at the insured location, and the servicing and repair of the equipment, including emergency response at the insured location.

- H.** Paragraph **G. Optional Coverages** in **Section I – Property** does not apply.

- I.** The following is added to Paragraph **H. Property Definitions** in **Section I – Property**:

"Perishable stock" means property:

- a.** Maintained under controlled temperature or humidity conditions for preservation; and
- b.** Susceptible to loss or damage if the controlled temperature or humidity conditions change.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section I – Property is amended as follows:

A. The following exclusion is added to Paragraph B. Exclusions:

We will not pay for loss or damage caused directly or indirectly by 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.

Cyber Incident

1. Unauthorized access to or use of any computer system (including "electronic data").
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including "electronic data") and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including "electronic data") or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

- a. Additional Coverage – Electronic Data; or
- b. Additional Coverage – Interruption Of Computer Operations.

3. Computer Fraud And Funds Transfer Fraud Endorsement

The exclusion in Paragraph **A.** does not apply to the Computer Fraud And Funds Transfer Fraud endorsement when attached to your policy.

4. Electronic Commerce Endorsement

The exclusion in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

5. Information Security Protection Endorsement

The exclusion in Paragraph **A.** does not apply to the Information Security Protection Endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism:

Vandalism does not include a cyber incident as described in Paragraph **A.**

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION WITH ENSUING CAUSE(S) OF LOSS EXCEPTIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Limits Of Insurance (For Cause(s) Of Loss Other Than Fire Or Explosion)	
Cyber Incident Loss Or Damage To Covered Property Coverage	
Per Occurrence Limit Of Insurance For Cyber Incident Loss Or Damage To Covered Property Coverage:	\$
Cyber Incident Business Income Coverage	
Per Occurrence Limit Of Insurance For Cyber Incident Business Income Coverage:	\$
Cyber Incident Extra Expense Coverage	
Per Occurrence Limit Of Insurance For Cyber Incident Extra Expense Coverage:	\$
Cyber Incident Aggregate Limit Of Insurance	
Aggregate Limit Of Insurance For Cyber Incident Loss Or Damage To Covered Property Coverage, Cyber Incident Business Income Coverage and Cyber Incident Extra Expense Coverage:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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Section I – Property is amended as follows:

A. The following exclusion is added to **B. Exclusions:**

We will not pay for loss or damage caused directly or indirectly by 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.

Cyber Incident

1. Unauthorized access to or use of any computer system (including "electronic data").
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including "electronic data") and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including "electronic data") or otherwise disrupt its normal functioning or operation.

3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Other Causes Of Loss

- a. If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in:

- (1) A Covered Cause of Loss, other than fire or explosion; and, if made part of the Policy, other than Flood, Breakdown or Contamination or Power Outage, if this Policy is written on a Named Perils basis.

Paragraphs **B.2.a.(2)** and **(3)** do not apply if this Policy is written on a Named Perils basis;

- (2)** A "specified cause of loss", other than fire or explosion; or
 - (3)** Theft, and
- b.** A per occurrence Limit Of Insurance is shown in the Schedule of this endorsement for:
- (1)** Cyber Incident Loss Or Damage To Covered Property Coverage, we will pay for the loss or damage caused by the cause of loss as listed in Paragraphs **B.2.a.(1)** through **B.2.a.(3)**, whichever applies;
 - (2)** Cyber Incident Business Income 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 Covered Property at the premises described in the Declarations. The loss or damage must be caused by or result from a cause of loss as listed in Paragraphs **B.2.a.(1)** through **B.2.a.(3)**, whichever applies; and
 - (3)** Cyber Incident Extra Expense Coverage, we will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to Covered Property at the premises described in the Declarations. The loss or damage must be caused by or result from a cause of loss as listed in Paragraphs **B.2.a.(1)** through **B.2.a.(3)**, whichever applies.
- 3.** The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:
- a.** Additional Coverage – Electronic Data; or
 - b.** Additional Coverage – Interruption Of Computer Operations.

4. Computer Fraud And Funds Transfer Fraud Endorsement

The exclusion in Paragraph **A.1.** does not apply to the Computer Fraud And Funds Transfer Fraud endorsement when attached to your policy.

5. Electronic Commerce Endorsement

The exclusion in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

6. Information Security Protection Endorsement

The exclusion in Paragraph **A.** does not apply to the Information Security Protection Endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism:

Vandalism does not include a cyber incident as described in Paragraph **A.**

D. Limits Of Insurance

- 1.** Subject to Paragraph **D.2.**, the most we will pay for loss or damage under each of the coverages shown in Paragraphs **B.2.b.(1)** through **B.2.b.(3)**, in any one occurrence, is the per occurrence Limit Of Insurance shown in the Schedule of this endorsement for each coverage.
- 2.** The Cyber Incident Aggregate Limit Of Insurance, if shown in the Schedule of this endorsement, is the most we will pay for the total of all loss or damage for the coverages shown in the Schedule of this endorsement, caused by all occurrences in a 12-month period (starting with the beginning of the present annual policy period), regardless of the number of occurrences during that period of time.
- 3.** The limit(s) of insurance described in Paragraphs **D.1.** and **D.2.** above are part of, not in addition to, the applicable Limits Of Insurance shown in the Declarations.

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