

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement, effective 12:01 A.M.,
Forms a part of Policy No.:

PROPERTY BROADENING ENDORSEMENT - VIRGINIA

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS – SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

The following is added to **C. Limits Of Insurance** of Building and Personal Property Coverage Form CP 00 10. For application of the Limits of Insurance, refer to each coverage within this endorsement. Refer to **SECTION V – DEFINITIONS** of this endorsement for additional words or phrases which appear in quotation marks as they have special meanings.

I. COVERAGES

A. Scheduled Coverages

The coverages in this endorsement amend the coverage provided under the Building and Personal Property Coverage Form, Causes of Loss – Special Form, and Business Income (and Extra Expense) Coverage Form through new coverages and substitute coverage grants. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement. If any of the property covered by this endorsement is also covered under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies, in the event of loss or damage, you may choose only one of these coverages to apply to that loss. The most we will pay in this case is the limit of insurance applying to the coverage you select.. Refer to each coverage within this endorsement for application of coverage.

		Limits of Insurance Amended	Limits of Insurance	Page #
1. Additional Covered Property	Included	N/A		4
2. Brands & Labels	Included	N/A		4
3. Broadened Building Coverage	Included	N/A		4
4. Broadened Business Personal Property	Included	N/A		5
5. Building Limit - Inflation Guard	Included	N/A		5
6. Business Income & Extra Expense from Dependent Properties	\$250,000	N/A		5
7. Catastrophe Allowance	\$50,000	N/A		6
8. Computer and Funds Transfer Fraud	\$25,000	\$		6
9. Consequential Loss to Stock	Included	N/A		7
10. Contract Penalties	\$100,000	\$		7
11. Debris Removal	\$250,000	\$		7

12. Denial of Access to Premises	Included	N/A	7
13. E-Commerce	\$50,000	\$	8
14. Electronic Data Processing Equipment	Included	N/A	9
15. Employee Theft including ERISA Compliance	\$150,000	\$	9
16. Employee Tools and Work Clothing	\$25,000	\$	11
17. Expediting Expense	\$50,000	\$	12
18. Extended Business Income	180 Days	N/A	12
19. Extended Coverage on Property – within 2000 feet	Included	N/A	12
20. Extra Expense	300,000	\$	12
21. Fire Protection Equipment Recharge	Included	N/A	13
22. Food Contamination including	\$25,000	\$	13
Additional Advertising Expense	\$3,000	\$	13
23. Forgery or Alteration	\$50,000	\$	13
24. Foundations & Underground Pipes	Included	N/A	14
25. International Air Shipments	\$50,000	\$	14
26. Inventory & Loss Appraisal	\$300,000	\$	15
27. Key Replacement & Lock Repair	\$20,000	\$	15
28. Lease Cancellation	\$50,000	\$	15
29. Leasehold Interest – Tenants	\$250,000	\$	16
30. Marring & Scratching	Included	N/A	16
31. Money & Securities	\$50,000	\$	17
32. Money Orders & Counterfeit Money	\$50,000	\$	17
33. Newly Acquired or Constructed Property – Building	\$2,000,000	\$	17
Newly Acquired - Business Personal Property	\$1,000,000	\$	18
34. Newly Acquired Locations – Business Income & Extra Expense	\$500,000	\$	18
35. Non-Owned Detached Trailers	\$50,000	\$	19
36. Ordinance or Law	\$500,000	\$	19
37. Pollutant Clean-Up and Removal	\$150,000	\$	21
38. Preservation of Property	90 Days	N/A	22
39. Preservation of Property – Expense	\$150,000	\$	22
40. Property in Transit	\$150,000	\$	22
41. Property Off Premises	\$200,000	\$	23
42. Prototypes	Included	N/A	23
43. Rewards – Arson, Theft, Vandalism	\$100,000	\$	23
44. Sales Representative Samples	\$50,000	\$	24
45. Seasonal Increase – Business Personal Property	Included	N/A	24
46. Sewer Backup	Included	N/A	24
47. Soft Costs	\$50,000	\$	25
48. Temporary Relocation of Property	\$100,000	\$	25
49. Tenant Glass	\$25,000	\$	25
50. Tenant Relocation	\$50,000	\$	26
51. Theft Damage to Building	Included	N/A	26

52. Transit Business Income & Extra Expense	\$100,000	\$	27
53. Undamaged Tenants Improvements and Betterments	\$250,000	\$	27
54. Underground Water Seepage	\$150,000	N/A	27
55. Unintentional Property Reporting Errors	\$500,000	N/A	28
56. Unnamed Locations	\$200,000	\$	28
57. Utility Services – Direct Damage	\$100,000	\$	29
Utility Services – Business Income	\$100,000	\$	29
58. Voluntary Parting	\$100,000	\$	30
59. Water Damage, Other Liquids, Powder or Molten Material Damage	\$50,000	\$	30
60. Windblown Debris	\$10,000	\$	30
61. Worldwide Property Off-Premises	\$100,000	\$	31

B. Coverages Included within the Blanket Limit of Insurance:

Blanket Limit of Insurance \$1,000,000

The Blanket Limit of Insurance shown above applies to all Coverages shown in **Section III. B.** of this Endorsement. At the time of loss, you may elect to apportion this Blanket Limit of Insurance to one or any combination of the Coverages shown, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Limit of Insurance shown above. The Blanket Limit of Insurance applies per “occurrence”.

	Amended Limits of Insurance	Page
1. Accounts Receivable	\$	31
2. Deferred Payments	\$	31
3. Fine Arts	\$	32
4. Fire Department Service Charge	\$	32
5. Movement of Property	\$	33
6. Outdoor Property	\$	33
7. Personal Effects & Property of Others	\$	33
8. Research and Development Documentation	\$	34
9. Valuable Papers and Records (Other Than Electronic Data)	\$	35

II. DEDUCTIBLE

We will not pay for covered loss or damage in any one “occurrence” unless the amount of loss or damage exceeds the deductible amount shown in the Declarations of this Policy. We will then pay the amount of loss or damage in excess of the Deductible, up to the Limit of Insurance for all applicable coverages listed under **SECTION I – COVERAGES**. No deductible applies to coverages where specifically designated.

III. COVERED PROPERTY

A. Scheduled Coverages

1. Additional Covered Property

- a. The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Additional Covered Property

- (1) You may extend the insurance that applies to your Business Personal Property to also include “theft” or attempted “theft” of your patterns, dies, molds and forms.

- b. **C. Limitations**, Paragraph **3.** of Causes of Loss – Special Form CP 10 30 is replaced by the following:

- 3. The special limit shown for each category **a.** through **e.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one “occurrence” of “theft”, regardless of the types or number of articles that are lost or damaged in that “occurrence”. The special limits are:

- a. \$10,000 for furs, fur garments and garments trimmed in fur.
- b. \$10,000 for jewelry, watches, watch movements, jewels and pearls. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$35,000 for precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals.
- d. \$5,000 for patterns, dies, molds and forms owned by others. This special limit does not apply to those patterns, dies, molds and forms owned by you or for which you are responsible under written contract existing before loss.
- e. \$1,000 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income cover-

age or to Extra Expense coverage.

All other provisions of **C. Limitations** of Causes of Loss – Special Form CP 10 30 remain unchanged.

2. Brands & Labels

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Brands & Labels

- (1) If Covered Property that has a brand or label is damaged by a Covered Cause of Loss and we elect to take all or any part of the damaged property at an agreed or appraised value, you may extend the insurance that applies to Your Business Personal Property to:

- (a) Pay expenses you incur to:
 - (i) Remove the brand or label and then re-label the damaged property to comply with any applicable law; or
 - (ii) Label or stamp the damaged property as Salvage, if doing so will not physically damage the property.
- (b) Cover any reduction in the salvage value of the damaged property as a result of the removal of the brand or label.

- (2) Payment under this Extension is included within the Limit of Insurance applicable to your Business Personal Property.

3. Broadened Building Coverage

- a. The following is added to **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **a. Building** of Building and Personal Property Coverage Form CP 00 10:

- (6) Foundations of machinery, tanks and their component parts including all connections which are below:

- (a) The lowest basement

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floor; or

- (b) The surface of the ground, if there is no basement.
 - (7) Your personal property in apartments or rooms furnished by you as landlord;
 - (8) The following property if it is located on or within 2000 feet of a covered building or structure:
 - (a) Exterior lighting fixtures or poles;
 - (b) Yard fixtures;
 - (c) Fences; and
 - (d) Retaining Walls whether or not attached to the building
 - (9) Signs, whether or not they are attached to covered buildings or structures;
 - (10) Building glass, including skylights, glass doors and windows, and their encasement frames, alarm tape, lettering and ornamentation;
 - (11) Your new buildings while being built on or within 2000 feet of the described premises; and
 - (12) Driveways, patios and walks.
- b. Under **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10, the \$2,500 limitation on outdoor signs is deleted.
4. **Broadened Business Personal Property**
- a. The following is added to **A. Coverage**, Paragraph 1. **Covered Property**, subparagraph **b. Your Business Personal Property** of Building and Personal Property Coverage Form CP 00 10:
 - (8) Property of others that is in your care, custody or control;
 - (9) "Scientific & professional equipment";
 - (10) Building glass you have a contractual responsibility to insure;
 - (11) "Installation, tools & equipment property"; and
 - (12) Patterns, molds & dies.
 - b. **A. Coverage**, Paragraph 1. **Covered Property**, subparagraph **c. Personal Property of Others** of Building and Personal Property Coverage Form CP 00 10, is deleted.

5. **Building Limit – Inflation Guard**

The following is added to **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10:

Building Limit – Inflation Guard

We will pay either the actual cash value or the replacement cost value, based on the valuation method shown in the Declarations, of the damaged portion of the building at the time of loss, but not more than 115% of the Limit of Insurance for Building if:

- a. The amount of any loss covered by this policy exceeds the Limit of Insurance for Building stated in the Declarations for the damaged Building; and
- b. The actual repair or replacement is completed within one year of the date of loss.

6. **Business Income & Extra Expense from Dependent Properties**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Business Income & Extra Expense from Dependent Properties

- (1) We will pay the actual loss of business income you sustain due to the necessary "suspension" of your "operations" during the "dependent property period of restoration". The "suspension" must be caused by direct physical loss of or damage to "dependent property" caused by or resulting from a Covered Cause of Loss.
- (2) We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to "dependent property" caused by or resulting from a Covered Cause of Loss.
- (3) Under this Additional Coverage, the definition of Extra Expense is replaced with the following:

Extra Expense means necessary expenses you incur during the "dependent property period of restoration" that you would

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not have incurred if there had been no direct physical loss or damage to the premises of any "dependent property" caused by or resulting from a Covered Cause of Loss:

- (a) To avoid or minimize the "suspension" of business and to continue "operations"; or
 - (b) To minimize the "suspension" of business if you cannot continue "operations".
- (4) For Business Income coverage under this Additional Coverage, the Coverage Territory for "dependent property" is expanded to all parts of the world.
- (5) We will reduce the amount of your:
- (a) Business income loss, other than extra expense, to the extent you can resume "operations" in whole or in part by using any other available:
 - (i) Source of materials; or
 - (ii) Outlet for your products
 - (b) Extra Expense loss to the extent you can return "operations" to normal and discontinue such extra expense.
- (6) The most we will pay under this Additional Coverage is \$250,000 per "occurrence" regardless of the number of "dependent properties" that are involved, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (7) The amount payable under this Additional Coverage is additional insurance.

7. Catastrophe Allowance

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Catastrophe Allowance

- (1) This Coverage Extension applies when the direct physical loss or damage to Covered Property is the result of an insured event for which Property Claims Service has publicly designated a catastrophe number to the event.
- (2) You may extend the insurance provided under this Coverage Form if the limits provided under **C. Limits of**

Insurance of Building and Personal Property Coverage Form CP 00 10 are insufficient to compensate you for covered loss or damage you incur as a result of the insured Catastrophe event.

- (3) This Coverage Extension may not be applied to the deductible amount of this policy or any other policy. It also may not be used to cover any loss or damage that would not be covered under this policy.
- (4) The most we will pay under this Extension in any one "occurrence" is \$50,000.

The most we will pay under this Extension during each separate 12 month period of this policy is \$50,000.

8. Computer and Funds Transfer Fraud

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form, CP 00 10:

Computer and Funds Transfer Fraud

- (1) We will pay for loss of and damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described "banking premises":
 - (a) To a person (other than a messenger) outside those banking premises; or
 - (b) To a place outside those premises.
- (2) The most we will pay for loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account" is \$25,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, regardless of the number of

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“fraudulent instructions” involved.

9. Consequential Loss to Stock

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Consequential Loss to Stock

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the reduction in value of the remaining parts of “stock” in process of manufacture that are physically undamaged but are unmarketable as a complete product because of direct physical loss or damage from a Covered Cause of Loss to other parts of covered “stock” in process of manufacture at an insured location.
- (2) Should it be determined that such “stock” retains only a salvage value, we retain the option of paying the full value of the “stock” as agreed within this policy, and taking the damaged property for salvage purposes.
- (3) Payment under this Coverage Extension is included within the applicable Limit of Insurance.

10. Contract Penalties

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Contract Penalties

- (1) We will pay for contractual penalties you are required to pay due to your failure to provide your product or service according to contract terms because of direct physical loss or damage by a Covered Cause of Loss to Covered Property.
- (2) The most we will pay for all penalties in any one “occurrence” is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

11. Debris Removal

a. A. Coverage, Paragraph **4. Additional Coverages**, Subparagraph **a.(4)** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

(4) We will pay up to an additional \$250,000 for debris removal expense, for each location, in any one “occurrence” of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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 \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

b. A. Coverage Paragraph **4. Additional Coverages**, subparagraph **a.(5)** of Building and Personal Property Coverage Form CP 00 10 is deleted:

12. Denial of Access to Premises

The following is added to **A. Coverage**, Paragraph **5. Additional Coverages** of Business Income (and Extra Expense) Coverage Form CP 00 30:

Denial of Access to Premises

(1) We will pay for the actual loss of Business Income you sustain

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and necessary Extra Expense you incur when ingress to or egress from the described premises is prevented, due to direct physical loss of or damage to property that is away from but within 2000 feet of the described premises, caused by or resulting from any Covered Cause of Loss covered under this policy.

- (2) The coverage for Business Income will begin 72 hours after the loss or damage to the premises that causes the denial of access and will apply for a period of up to 30 consecutive days after coverage begins.
- (3) The coverage for Extra Expense will begin immediately after the loss or damage to the premises that causes the denial of access and will end:
 - (a) 30 consecutive days after coverage begins; or
 - (b) When your Business Income coverage ends;
 whichever is earlier.

13. E-Commerce

a. Electronic Vandalism – Direct Damage

- (1) **A. Coverage, Paragraph 2. Property Not Covered**, subparagraph n. of Building and Personal Property Coverage Form CP 00 10, is deleted.
- (2) **A. Coverage, Paragraph 4. Additional Coverages**, subparagraph f. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:
 - f. Electronic Vandalism – Direct Damage**

We cover direct physical loss or damage to covered “computer equipment” at the described premises caused by “electronic vandalism”.

b. Electronic Vandalism – Interruption of Computer Operations

- (1) **A. Coverage, Paragraph 4. Additional Limitation – Interruption of Computer Operations** of Business Income (and Extra Expense) Coverage Form CP 00 30 is deleted.
- (2) **A. Coverage, Paragraph 5. Additional Coverages**, subparagraph d. of Business Income (and Extra Ex-

pense) Coverage Form CP 00 30 is replaced by the following:

d. Electronic Vandalism – Interruption of Computer Operations

You may extend the insurance that applies to Business Income & Extra Expense to apply to a “suspension” of “operations” caused by an interruption in computer operations at the described premises due to “electronic vandalism” originating anywhere in the world.

We will only pay for loss of Business Income or Extra Expense that occurs during the “period of restoration”.

- c. The most we will pay for all loss or damage from both Electronic Vandalism – Direct Damage and Electronic Vandalism – Interruption of Computer Operations in any one “occurrence” is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- d. The amount payable under this Additional Coverage is additional insurance.
- e. Special E-Commerce Exclusions**

We do not cover:

- (1) Loss of proprietary use of any “electronic data” or “proprietary programs” that have been copied, scanned, or altered;
- (2) Loss of or reduction in economic or market value of any “electronic data” or “proprietary programs” that have been copied, scanned, or altered; and
- (3) Theft from your “electronic data” or “proprietary programs” of confidential in-

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formation through the observation of the “electronic data” or “proprietary programs” by accessing covered “computer equipment” without any alteration or other physical loss or damage to the records or programs. Confidential information includes, but is not limited to, customer information, processing methods, or trade secrets.

14. Electronic Data Processing Equipment

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Electronic Data Processing Equipment

(1) We will pay for direct physical loss or damage to the following Covered Property which is your property or property in your care, custody or control:

- (a) “Computer equipment”; and
- (b) Programming documentation and instruction manuals.

(2) We will also cover the necessary extra expenses you incur to avoid or minimize the suspension of business and to continue “operations” because of direct physical loss or damage to covered property.

(3) The following Exclusions do not apply to this Additional Coverage:

- (a) Earth Movement; and
- (b) Water.

(4) We will not pay for any loss to the following property:

- (a) Property you rent, loan or lease to others while it is away from the described premises; or
- (b) Property you hold for sale, distribute or manufacture.

(5) Payment under this Additional Coverage is included within the Limit of Insurance applicable to your Business Personal Property.

(6) Special Electronic Data Processing Equipment Exclusions

We do not cover:

- (a) Any extra expense caused by an error or omission in programming or incorrect instructions to “hardware”;
- (b) Direct physical loss to covered

property caused by:

- (i) “Electrical disturbance”;
- (ii) “Power supply disturbance,”
- (iii) “Computer virus”; or
- (iv) “Computer hacking”.

15. Employee Theft including ERISA Compliance

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Employee Theft including ERISA Compliance

(1) We will pay for loss or damage to “money”, “securities” and “other property” resulting directly from “theft” committed by an “employee”, clergy, or any non-compensated person whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Additional Coverage, “theft” shall also include “forgery”.

(2) This Additional Coverage terminates as to any “employee” as soon as:

- (a) You; or
- (b) Any of your partners, “members”, “managers”, officers, directors or trustees not in collusion with the “employee”;

“Discovered” the “theft” or any other dishonest act committed by the “employee” whether before or after becoming employed by you.

(3) Under this Additional Coverage, “occurrence” means:

- (a) An individual act;
- (b) The combined total of all separate acts whether or not related; or
- (c) A series of acts whether or not related;

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Committed by an “employee” acting alone or in collusion with other persons, during the policy period, before such policy period or both.

(4) We will pay only for loss you sustain through acts committed or events occurring anytime which is “discovered” by you:

(a) During the policy period; or

(b) No later than 1 year from the date of termination or cancellation of this insurance. However this extended period to “discover” loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this Additional Coverage, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

(5) You may extend this coverage to apply to loss caused by any “employee” while temporarily outside the Coverage Territory for a period of not more than 90 days.

(6) The most we will pay for all loss resulting directly from an “occurrence” is \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. 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.

(7) The amount payable under this Additional Coverage is additional insurance.

(8) Special Employee Theft Exclusions

We will not pay for:

(a) Loss resulting from “theft” or any other dishonest act committed by:

(i) You; or

(ii) Any of your partners or “members”;

Whether acting alone or in collusion with other persons.

(b) Loss caused by an “employee” if the “employee” has also committed “theft” or any other dishonest act prior to the effective date of this policy and you or any of your

partners, “managers”, officers, directors or trustees, not in collusion with the “employee”, learned of that “theft” or dishonest act prior to the policy period shown in the Declarations.

(c) Loss resulting from “theft” or any other dishonest act committed by any of your “employees”, “managers”, directors, trustees or authorized representatives:

(i) Whether acting alone or in collusion with other persons; or

(ii) While performing services for you or others;

Except when covered under this Additional Coverage.

(d) Loss that is an indirect result of an “occurrence” covered by this Additional Coverage, including, but not limited to, loss resulting from:

(i) Your inability to realize income that you would have realized had there been no loss of or damage to “money”, “securities” or “other property”;

(ii) Payment of damages of any type for which you are legally liable;

(iii) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Additional Coverage.

(e) Fees, costs and expenses incurred by you which are related to any legal action.

(f) Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon

(i) An inventory computation; or

(ii) A profit and loss compu-

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tation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

- (g) Loss resulting from trading, whether in your name or in a genuine or fictitious account.
- (h) Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.
- (i) Loss resulting from:
 - (i) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
 - (ii) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

(9) Welfare and Pension Plan ERISA Compliance

- (a) The “employee benefit plan” (hereafter referred to as Plan) is included as an insured under this Additional Coverage.
- (b) If any Plan is insured jointly with any other entity under this Additional Coverage, you or the Plan Administrator must select a Limit of Insurance for this Additional Coverage that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.
- (c) With respect to loss sustained or “discovered” by any such Plan, paragraph (1) above is replaced with the following:

We will pay for loss of or damage to “funds” and “other property” resulting directly from fraudulent or dishonest acts committed by an “employee”, whether identified or not,

acting alone or in collusion with other persons.

- (d) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- (e) If two or more Plans are insured under this Additional Coverage, any payment we make for loss:
 - (i) Sustained by two or more Plans; or
 - (ii) Of commingled “funds” or “other property” of two or more Plans;Resulting from an “occurrence”, will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.
- (f) The Deductible does not apply to this Additional Coverage.

16. Employee Tools and Work Clothing

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Business and Personal Property Coverage Form CP 00 10:

Employee Tools and Work Clothing

- (1) We will pay for direct physical loss of or damage to tools and work clothing of your “employees” damaged by a Covered Cause of Loss while such tools and work clothing are located at an insured location, your job sites or while “in transit” to and from your job sites, while in your vehicle.
- (2) The most we will pay for loss or damage under this Additional Coverage is \$25,000 per “occurrence” or the Limit of Insurance shown in the Amended Limits

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Section of this Endorsement, but not more than \$500 for any one tool or item of clothing. The amount payable under this Additional Coverage is additional insurance.

- (3) The Coinsurance condition does not apply to this Additional Coverage.

17. Expediting Expense

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Expediting Expense

- (1) When a Covered Cause of Loss occurs to Covered Property, we will pay for the reasonable and necessary additional expenses you incur to:
 - (a) Make temporary repairs;
 - (b) Expedite permanent repair or replacement of damaged property; or
 - (c) Provide training on replacement machines or equipment.
- (2) The most we will pay for loss under this Additional Coverage in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

18. Extended Business Income

A. Coverage, Paragraph **5. Additional Coverages**, subparagraphs **c.(1)(b)** and **c.(2)(b)** of Business Income (and Extra Expense) Coverage Form CP 00 30 are replaced by the following:

- (1)(b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 180 consecutive days after the date determined in (1)(a) above.
- (2)(b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or

- (ii) 180 consecutive days after the date determined in (2)(a) above.

19. Extended Coverage on Property – within 2000 feet

Under the Building and Personal Property Coverage Form CP 00 10, and Business Income (and Extra Expense) Coverage Form CP 00 30 all provisions that limit the location of property to "within 100 feet" of a described premise are replaced with "within 2000 feet" of a described premise.

20. Extra Expense

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Extra Expense

- (1) When a Covered Cause of Loss occurs to Covered Property at a location described in the declarations, we will pay for the reasonable and necessary extra expense you incur to continue, as nearly as possible, your normal business operations following the covered loss or damage.
- (2) The most we will pay for loss under this Additional Coverage in any one "occurrence" is \$300,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.
- (4) No deductible applies to this coverage.

21. Fire Protection Equipment Recharge

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Fire Protection Equipment Recharge

- (1) We will pay expenses you incur to recharge or refill your fire pro-

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tection equipment due to the leakage or discharge:

- (a) To prevent or control loss;
 - (b) Accidentally; or
 - (c) As a result of malfunction of the equipment.
- (2) The Deductible does not apply to this Additional Coverage. Payment under this Additional Coverage is included within the applicable Limit of Insurance.

22. Food Contamination

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Food Contamination

- (1) If your business at the described premises is ordered closed by the Board of Health or any other governmental authority as a result of the discovery of "food contamination", we will pay:
- (a) Your expense to clean your equipment as required by the Board of Health or any other governmental authority;
 - (b) Your cost to replace the food which is, or is suspected to be contaminated;
 - (c) Your expense to provide necessary medical tests or vaccinations for your infected "employees". However, we will not pay for any expense that is otherwise covered under a Workers' Compensation Policy;
 - (d) The loss of Business Income you sustain due to the necessary "suspension" of your "operations". The coverage for Business Income will begin 24 hours after you receive notice of closing from the Board of Health or any other governmental authority; and
 - (e) Additional Advertising expenses you incur to restore your reputation.
- (2) The most we will pay for all loss under Paragraphs (1)(a) through (1)(d), including Business Income is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- The most we will pay for all loss under Paragraph (1)(e) is \$3,000 or the Limit of Insurance shown in the Amended

Limits Section of this Endorsement.

(3) Special Food Contamination Exclusion

We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery of food contamination at the described premises.

23. Forgery or Alteration

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Forgery or Alteration

- (1) We will pay for loss resulting directly from "forgery" or alteration of checks, credit cards, debit cards, charge cards, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
- (a) Made or drawn by or drawn upon you; or
 - (b) Made or drawn by one acting as your agent;
- or that are purported to have been made or drawn.
- (2) If you are sued for refusing to pay any instrument covered in paragraph (1) above, 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.
- (3) Under this Additional Coverage, any loss:
- (a) Caused by any one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one "occurrence" regardless of the number of checks, credit cards, debit cards, charge cards, drafts,

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promissory notes, or similar written promises, orders or directions involved.

(4) Special “Forgery” or Alteration Exclusion

This Additional Coverage does not apply to:

Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

(5) The most we will pay for loss, including legal expenses, resulting directly from an “occurrence” under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$1,000 for any loss arising from any credit, debit or charge card forgery or “Alteration”. 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. The Deductible does not apply to this Additional Coverage.

(6) The amount payable under this Additional Coverage is additional insurance.

24. Foundations & Underground Pipes

a. The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Foundations & Underground Pipes

(1) You may extend the insurance that applies to Building to apply to loss or damage to:

(a) Foundations of buildings, structures, machinery or boilers if their foundations are below:

(i) The lowest basement floor; or

(ii) The surface of the ground, if there is no basement;

(b) Underground pipes, flues and drains; and

(c) The cost of excavating, grading, backfilling or filling

when such loss or damage is caused by a Covered Cause of Loss.

(2) The most we will pay for loss under this Coverage Extension is the applicable building Limit of Insurance.

(3) Payment under this Addition Coverage is included within the applicable Limit of Insurance.

b. A. Coverage, Paragraph 2. Property Not Covered, subparagraphs **f., g., and m.** of Building and Personal Property Coverage Form CP 00 10, do not apply to this coverage.

25. International Air Shipments

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

International Air Shipments

(1) You may extend the insurance that applies to your Business Personal Property and Personal Property of Others that you ship to apply to that property; while being shipped by air:

(a) Anywhere within the Coverage Territory to or from a location outside of the coverage territory; or

(b) Between locations outside of the coverage territory;

(2) This coverage extension only applies to the shipment of your property which originates and terminates at a location specified in the air waybill.

(3) The most we will pay for loss or damage under this Extension in any one “occurrence” is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(4) Special International Air Shipments Exclusion

This Extension does not apply to:

Business Personal Property if there is other insurance in force covering the same loss.

26. Inventory & Loss Appraisal

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal

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Property Coverage Form CP 00 10:

Inventory and Loss Appraisal

- (1) We will pay all reasonable expenses you incur at our request to assist us in:
 - (a) The investigation of a claim;
 - (b) The determination of the amount of loss, such as taking inventory; or
 - (c) The cost of preparing specific loss documents and other supporting exhibits.
- (2) Expenses you incur include costs charged to you by others, including property managers, acting on your behalf to assist us with item (1) above.
- (3) The Deductible does not apply to this Extension.
- (4) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is \$300,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (5) **Special Inventory and Loss Appraisal Exclusions**

We will not pay for expenses:

- (a) Incurred to perform your duties in the event of loss under **E. Loss Conditions** of Building and Personal Property Coverage Form CP 00 10;
- (b) To prove that loss or damage is covered;
- (c) Billed by and payable to independent or public adjusters, attorneys or any of their affiliated or associated entities;
- (d) To prepare claims not covered by this policy; or
- (e) Incurred under any Appraisal provisions within the policy.

27. Key Replacement & Lock Repair

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Key Replacement & Lock Repair

- (1) You may extend the insurance provided under this Coverage Form to cover the reasonable and necessary expense you incur due to a covered "theft" for:
 - (a) Replacement of keys if they are

stolen;

- (b) Lock repair; or
- (c) Rekeying, replacing or re-programming undamaged locks to accept new keys or entry codes when the building security has been compromised.

- (2) The most we will pay under this Extension is \$20,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. The Deductible does not apply to this Extension.

28. Lease Cancellation

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Lease Cancellation

- (1) We will pay the actual loss of business income you sustain due to the cancellation of a lease by your tenants in a Covered Building due to untenability that is caused by direct physical loss or damage to that building from a Covered Cause of Loss.

This Additional Coverage only applies if at the time of loss the building was occupied and business was being conducted by the tenant canceling the lease or their sub-lessee; or a lease was signed but the building was not yet occupied by the tenant.

- (2) We will pay for loss of business income that you sustain after tenantability is restored and until the earlier of:
 - (a) The date you lease the premises to another tenant; or
 - (b) 12 months immediately following the "period of restoration".
- (3) The amount payable under this Additional Coverage is additional insurance.

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- (4) Regardless of the number of tenants canceling a lease at the described premises, the most we will pay under this Additional Coverage is \$50,000 per “occurrence” or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(5) Special Lease Cancellation Exclusions

We will not pay for:

- (a) Lease cancelled after the “period of restoration”;
- (b) Lease cancelled, suspended or allowed to lapse by you;
- (c) Return of pre-paid rent or security and other deposits made by tenants; or
- (d) Lease cancelled at the normal expiration date.

29. Leasehold Interest – Tenants

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages**, of Building and Personal Property Coverage Form CP 00 10:

Leasehold Interest – Tenants

- (1) We will pay for the loss of prepaid rent you sustain due to the cancellation of your written lease. The cancellation must result from direct physical loss or damage to property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.
- (2) This Additional Coverage only applies if at the time of loss you were occupying and conducting business at the described premises.
- (3) The amount payable under this Additional coverage is additional insurance.
- (4) The most we will pay for loss in any one “occurrence” is the lesser of:
 - (a) The unused pro-rata portion of pre-paid rent based on the period of time remaining in your lease, which you have paid at the described premises where your lease was cancelled; or
 - (b) \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(5) Special Leasehold Interest Exclusion

We will not pay for:

- (a) Lease cancelled, suspended or allowed to lapse by you; or
- (b) Lease cancelled at the normal expiration date.

30. Marring & Scratching

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Marring & Scratching

- (1) You may extend the insurance that applies to Business Personal Property to apply to damage caused directly by sudden and accidental marring and scratching of:
 - (a) Your “stock”;
 - (b) Your printing plates; or
 - (c) Property of others that is in your care, custody or control.
- (2) This Extension does not apply to:
 - (a) Property at other than the described premises; or
 - (b) Property in transit.
- (3) Payment under this Extension is included within the Limit of Insurance applicable to your Business Personal Property.

31. Money & Securities

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Money & Securities

- (1) We will pay for loss of “money” and “securities” while:
 - (a) Inside the described premises;
 - (b) At a “banking premises”;
 - (c) Temporarily within your living quarters or the living quarters of any other member, volunteer; or “employee” having use and custody of the proper-

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ty; or

(d) "In transit" between (1)(a), (1)(b), or (1)(c) that results directly from:

(e) "theft"; or

(f) Disappearance or destruction.

(2) Under this Additional Coverage, all loss:

(a) Caused by one or more persons; or

(b) Involving a single act or series of related acts;

is considered one "occurrence".

(3) You must keep records of all "money" and "securities" so we can verify the amount of any one loss or damage.

(4) The amount payable under this Additional Coverage is additional insurance.

(5) The most we will pay for loss in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(6) Special Money & Securities Exclusions

We will not pay for loss:

(a) Resulting from accounting or arithmetic errors or omissions;

(b) Resulting from giving or surrendering of property in any exchange or purchase; or

(c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

(d) Loss or damage to "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described "banking premises":

(i) To a person (other than a messenger) outside those premises; or

(ii) To a place outside those premises.

32. Money Orders & Counterfeit Money

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Money Orders & Counterfeit Money

(1) We will pay for loss resulting directly

from your having accepted in good faith, in exchange for merchandise, "money" or services:

(a) Money orders issued by any post office, express company or bank that are not paid upon presentation; or

(b) "Counterfeit money" that is acquired during the regular course of business.

(2) The most we will pay for loss in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) The amount payable under this Additional Coverage is additional insurance.

33. Newly Acquired or Constructed Property

A. Coverage, Paragraph 5. **Coverage Extensions**, subparagraph a. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

a. Newly Acquired or Constructed Property

(1) Buildings

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

(a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations, other than the described premises, intended for:

(i) Similar use as the building described in the Declarations; or

(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$2,000,000 at each building or the Limit

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of Insurance shown in the Amended Limits Section of this Endorsement.

(2) 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

The most we will pay for loss or damage under this Extension is \$1,000,000 at each building or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(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) This insurance may not be used to increase your Business Personal Property Limit. It does not apply to personal property you acquire as part of your usual customary business dealings whether or not such acquisition was related to anticipated seasonal demands. Under the terms of this policy, such property is not considered newly acquired, but falls within the provisions for Business Personal Property.

(4) Period of Coverage

With respect to insurance provided under this Coverage Extension for

newly Acquired or Constructed Property, coverage will end when any of the following first occurs:

- (a)** This policy expires;
- (b)** 180 days 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.

34. Newly Acquired Locations – Business Income & Extra Expense

A. Coverage, Paragraph 6. Coverage Extension of Business Income (and Extra Expense) Coverage Form CP 00 30 , Newly Acquired Locations is replaced by the following:

Newly Acquired Locations

- a.** You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b.** The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$500,000 at each location or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- c.** Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1)** This policy expires;
 - (2)** 180 days expire after you acquire or begin to construct the property; or

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(3) You report values to us.

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

35. Non-Owned Detached Trailers

A. Coverage, Paragraph 5. Coverage Extensions, subparagraph f. Non-Owned Detached Trailers, item (3) of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

(3) The most we will pay for loss or damage under this Extension is \$50,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

36. Ordinance or Law

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Ordinance or Law

(1) This Additional Coverage applies to buildings which are insured on a Replacement Cost or Actual Cash Value basis.

(2) Application of Coverage

This Additional Coverage applies only if both (a) and (b) below are satisfied and are then subject to the qualifications set forth in (c).

(a) The Ordinance or Law:

- (i) Regulates the construction or repair of a building or structure, or establishes zoning or land use requirements at the described premises;
- (ii) Requires the demolition of undamaged parts of a covered building or structure that is damaged or destroyed by a Covered Cause of Loss; and
- (iii) Is in force at the time of loss.

But coverage under this Additional Coverage 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 coverage.

(b) (i) The building sustains direct physical damage that is covered

under this Policy and such damage results in enforcement of or compliance with the ordinance or law; or

(ii) 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 or compliance with the ordinance or law.

(iii) But 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 damage that is not covered is the subject of the ordinance or law, then there is no coverage under this Additional Coverage.

(c) In the situation described in (b)(ii) above, we will not pay the full amount of loss otherwise payable under the terms of coverages for Coverage for Loss to Undamaged portion of the Building, Demolition Cost Coverage or Increased Cost of Construction Coverage. Instead, we will only pay the proportion that 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 the loss otherwise payable under the terms of Coverage for Loss or Damage to the Undamaged Portion of the Building, Demo-

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lition Cost Coverage or Increased Cost of Construction Coverage.

- (3) We will not pay under this Additional Coverage for the costs associated with the enforcement of any ordinance or law which requires an insured or others 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 removal of "pollutants", from a building, if the ordinance or law, as enforced, requires such testing. **(4) Coverage**

- (a) Loss to Undamaged Portion of the Building**

With respect to the building that has sustained covered direct physical damage; we will pay for the 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.

Coverage for Loss to the Undamaged Portion of the Building is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage does not increase the Limit of Insurance.

- (b) Demolition Cost**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of the undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

- (c) Increased Cost of Construction**

With respect to the building that has sustained covered direct physical damage; we will pay 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 or compliance with the minimum requirements of the ordinance or law.

However:

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.

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

The Coinsurance Additional Condition does not apply to Increased Cost of Construction

- (5) Loss Payment**

- (a) The following loss payment provisions are subject to the apportionment procedure set forth in Section **m.2.(c)** of this Additional Coverage.

- (b) When there is a loss in value of an undamaged portion of the building to which Coverage for Loss to the Undamaged Portion of the building applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- (i) If the property is repaired or replaced on the same premises, we will not pay more than the lesser of:

- 1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the

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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; or

2) The Limit of Insurance shown in the Declarations as applicable to the covered building.

(ii) If the property is not repaired or replaced, we will not pay more than the lesser of:

1) The actual cash value of the building; or

2) The Limit of Insurance shown in the Declarations as applicable to the covered building.

(c) The most we will pay for the total of all covered losses for Demolition Cost and Increased Cost of Construction is the Limit of Insurance shown below. Subject to this combined Limit of Insurance, the following loss payment provisions apply:

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

(ii) For Increased Cost of Construction:

1) We will not pay for the increased cost of construction:

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

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

2) 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) The most we will pay for loss under Demolition Cost and

Increased Cost of Construction for each building is \$500,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(iv) Under this endorsement we will not pay for loss due to any ordinance or law that:

1) You were required to comply with before the loss, even if the building was undamaged; and

2) You failed to comply with

37. Pollutant Clean-Up and Removal

A. Coverage, Paragraph 4. Additional Coverages, subparagraph d. of Building and Personal Property Coverage Form CP

00 10 is replaced by the following:

d. Pollutant Clean-Up and Removal

(1) 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.

(2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants".

(3) But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

(4) The most we will pay under this Additional Coverage for each described premises is \$150,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, for the sum of all covered expenses arising out of Covered Causes of Loss occurring

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during each separate 12-month period of this policy.

(5) This Additional Coverage is an additional amount of insurance.

38. Preservation of Property

A. Coverage, Paragraph 4. Additional Coverage, subparagraph **b.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 90 days after the property is first moved.

39. Preservation of Property – Expense

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Preservation of Property – Expense

- (1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay your expenses to move or store the Covered Property.
- (2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.
- (3) The most we will pay under this Additional Coverage is \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) This Additional Coverage is an additional insurance.

40. Property in Transit

F. Additional Coverage Extensions, Paragraph **1.** of Causes of Loss – Special Form CP 10 30 is replaced by the following:

1. Property in Transit

a. You may extend the insurance that applies to Your Business Per-

sonal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to your property or property of others that is in your care, custody or control while “in transit”.

- b.** You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to outgoing shipments that have been rejected, while in due course of transit back to you or while awaiting return shipment to you.
- c.** This Extension applies to the property while:
 - (1) In a vehicle owned, leased or operated by you; or
 - (2) In the custody of a common carrier or contract carrier.
- d.** The following Exclusions do not apply to this Extension:
 - (1) Earth Movement; and
 - (2) Water.
- e.** The most we will pay for loss or damage under this Extension is \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- f.** This Coverage Extension is additional insurance.
- g. Special Property in Transit Exclusions**
This Extension does not apply to:
 - (1) Shipments that belong to others that you are transporting for a fee;
 - (2) Salesperson’s samples; or
 - (3) Loss to “perishable stock” resulting from a breakdown of refrigeration equipment on

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any vehicle owned, leased or operated by you or while in the custody of a common or contract carrier.

41. Property Off Premises

A. Coverage, Paragraph 5. Coverage Extensions, subparagraph **d.** of Building and Personal Property Coverage Form CP 00 10, is replaced by the following:

d. Property Off Premises

- (1) You may extend the insurance that applies to Business Personal Property while:
 - (a) Temporarily at a location you do not own, lease or operate; or
 - (b) At any fair, trade show or exhibition.
- (2) The most we will pay for loss or damage under this Extension is \$200,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) Special Property Off Premises Exclusion

This extension does not apply to property:

- (a) In or on a vehicle; or
- (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

42. Prototypes

The following is added to **A. Coverage,** Building and Personal Property Coverage Form CP 00 10:

Prototypes

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to “prototypes” related to your “research and development operations” that:
 - (a) You own; or
 - (b) Are owned by others and in your care, custody or control;
 while at a described premises.
- (2) We will not pay for loss or damage to “prototypes” until you actually replicate

such property. Repairs or replacement must be made as soon as reasonably possible after the loss or damage, but in no event later than two years after the loss or damage unless we grant an extension in writing prior to the expiration of the two year period.

- (3) Payment under this Extension is included within your Business Personal Property Limit of Insurance.

43. Rewards – Arson, Theft, Vandalism

The following is added to **A. Coverage,** Paragraph **4. Additional Coverages,** of Building and Personal Property Coverage Form CP 00 10:

Rewards – Arson, Theft, Vandalism

- (1) We will reimburse you for payment of any reward offered on your behalf and for information that leads to the arrest and conviction of the person or persons responsible for:
 - (a) Arson;
 - (b) “Theft”; or
 - (c) Vandalism
 to Covered Property.
- (2) The arrest or conviction must involve a covered loss caused by arson, “theft” or vandalism.
- (3) The most we will pay under this Additional Coverage is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. The amount we pay is not increased by the number of persons involved in providing the information.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) The deductible does not apply to this Additional Coverage.

44. Sales Representative Samples

The following is added to **A. Cover-**

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age, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Sales Representative Samples

- (1) We will pay for direct physical loss or damage by a Covered Cause of Loss to samples of your "stock" in trade (including containers) while:
 - (a) In the custody of your sales representative, agent or any "employee" who travels with sales samples;
 - (b) In your custody while acting as a sales representative; or
 - (c) "In transit" between the described premises and your sales representatives.
- (2) The following Exclusions do not apply to this Additional Coverage:
 - (a) Earth Movement; and
 - (b) Water.
- (3) The most we will pay for any loss or damage under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) We will not pay for loss to the following property:
 - (a) Property which has been sold;
 - (b) Jewelry, precious or semiprecious stones, gold, silver, platinum or other precious metals or alloys;
 - (c) Fur, fur garments or garments trimmed with fur; or
 - (d) Any property while waterborne.

(6) Special Sales Representative Sample Exclusion

We do not cover loss resulting from "theft" from an unattended vehicle, except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

45. Seasonal Increase – Business Personal Property

The following is added to **A. Coverage**, Paragraph **5 Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Seasonal Increase – Business Personal Property

- (1) The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations in your business.
- (2) This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lessor of:
 - (a) The 12 months immediately preceding the date the loss or damage occurs; or
 - (b) The period of time you have been in business as of the date the loss or damage occurs

46. Sewer Backup

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Sewer

Backup

- (1) We will pay for direct physical loss or damage to Covered Property at the described premises, solely caused by or resulting from water or waterborne material carried or moved by water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. The term drain includes a roof drain and its related fixtures.
- (2) Payment under this Additional Coverage is included within the applicable Limit of Insurance for Covered Property at the location of loss or damage.

(3) Special Sewer Backup Exclusion

We will not pay for:

- (a) Loss or damage from water or other materials that back-up or overflow from any sewer or drain, sump, sump pump or related equipment when it is

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caused by or results from any "flood", regardless of the proximity of the back-up or overflow to the "flood" condition; or

- (b) Failure to keep a sump pump or its related equipment in proper working condition; or
- (c) Failure to perform routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

47. Soft Costs

The following is added to **A. Coverage**, Paragraph **5 Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Soft Costs

- (1) We will pay the actual "soft cost expenses" that arise out of a delay in the construction, erection or fabrication of a Covered Building that is listed in paragraphs **A.1.a.(5)** of Building and Personal Property Coverage Form CP 00 10 and **Section III.A.3.a.(11)** of this endorsement resulting from direct physical loss or damage to that Covered Building from a Covered Cause of Loss.
- (2) We will only pay the necessary "soft cost expenses" that are over and above those costs that would have been incurred had there been no delay.
- (3) The most we will pay under this Extension in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

48. Temporary Relocation of Property

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Temporary Relocation of Property

- (1) We will pay for loss of or damage to Covered Property from a Covered Cause of Loss while it is away from the described premises, if it is being stored temporarily at a location you do not own, lease or operate while the described premises is being renovated or remodeled.
- (2) This coverage applies for 90 days

after the property is first moved, but does not extend past the date on which this policy expires.

- (3) The most we will pay under this Additional Coverage is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.

49. Tenant Glass

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Tenant Glass

- (1) If glass in a building you occupy, but do not own, is damaged, we will pay for direct physical loss of or damage to glass.
- (2) This insurance includes replacement of lettering, artwork, ornamentation, sensors or other items permanently affixed to, or a part of a building at an insured location.
- (3) For coverage to apply, the glass must be in your care, custody or control and repairs must be made at your expense.
- (4) We will also pay for necessary:
 - (a) Expenses incurred to put up temporary plates or board up openings when repair or replacement of the damaged glass is delayed;
 - (b) Repair or replacement of encasing frames; and
 - (c) Expenses incurred to remove or replace obstructions to repair or replace the damaged glass.

This does not include the cost of removing, replacing or rebuilding window displays.
- (5) Paragraph **B. Exclusions** of Causes of Loss Special Form

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CP 10 30 does not apply to this Additional Coverage, except for:

- (a) Paragraph **B.1.b. Earth Movement**;
 - (b) Paragraph **B.1.c. Governmental Action**;
 - (c) Paragraph **B.1.d. Nuclear Hazard**;
 - (d) Paragraph **B.1.f War And Military Action**; and
 - (e) Paragraph **B.1.g. Water**.
- (6) We will not pay for loss or damage caused by or resulting from:
- (a) Wear and tear;
 - (b) Hidden or latent defect;
 - (c) Corrosion; or
 - (d) Rust;
- whatever its origin or cause.
- (7) The most we will pay for loss or damage in an "occurrence" under this Additional Coverage is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (8) The amount payable under this Additional Coverage is additional insurance.

50. Tenant Relocation

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Tenant Relocation

- (1) In the event that your tenants must temporarily vacate the covered Building at the described premises due to untenability caused by direct physical loss or damage by a Covered Cause of Loss, we will pay the following expenses you actually incur to move those tenants out of and back into your covered Building.
- (2) We will only pay for the following expenses:
- (a) Packing, transporting and unpacking the tenant's Business Personal Property, including the cost of insuring the move out and back, and any necessary disassembly and reassembly or setup of furniture and equipment; and
 - (b) The net cost to discontinue and re-establish the tenants' utility and tele-

phone services, after any refunds due the tenants.

- (3) We will only pay for these expenses that you actually incur within 60 days of the date that the damaged buildings has been repaired or rebuilt.
- (4) Regardless of the number of tenants' involved, the most we will pay in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

51. Theft Damage to Building

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Theft Damage to Building

- (1) You may extend the insurance that applies to your Business Personal property to apply to direct physical loss or damage to:
- (a) That part of the non-owned building where you are a tenant; and
 - (b) Non-owned equipment within the building used to maintain or service the building;
- Caused by or resulting from "theft" or attempted "theft".
- (2) This Extension applies only to a premises where you are a tenant and to this premises and non-owned equipment only if you have a contractual obligation to insure.
- (3) Payment under this extension is included within the Limit of Insurance applicable to your Business Personal property.
- (4) We will pay nothing if others pay for the repairs or replacement.

52. Transit Business Income & Extra Expense

The following is added to **A. Coverage**, Paragraph **5. Additional Coverages** of Business Income (and Extra Expense) Coverage Form CP 00 30:

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Transit Business Income & Extra Expense

- (1) We will pay the actual loss of Business Income you sustain and necessary and reasonable Extra Expense you incur caused by direct physical loss of or direct physical damage to Covered Property while “in transit” caused by or resulting from a Covered Cause of Loss.
- (2) The following Exclusions do not apply to this Additional Coverage:
 - (a) Earth Movement; and
 - (b) Water.
- (3) The most we will pay for loss in any one “occurrence” under this Additional Coverage is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.

53. Undamaged Tenants Improvements and Betterments

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Undamaged Tenants Improvements and Betterments

- (1) You may extend the insurance that applies to your Business Personal Property to apply to your use as a tenant in the undamaged portion of Improvements and Betterments due to the cancellation of your written lease:
 - (a) Made part of the building or structure you occupy but do not own; and
 - (b) You acquired but cannot legally remove.
- (2) The cancellation must result from direct physical loss or damage to a building at premises described in the Declarations caused by or resulting from any Covered Cause of Loss
- (3) We will determine the proportionate value of Undamaged Tenants Improvements and Betterments as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (4) The most we will pay for loss or damage under this Extension in any one “occurrence” is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (5) The amount payable under this Coverage Extension is additional insurance.

54. Underground Water Seepage

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Underground Water Seepage

- (1) We will pay for direct physical loss or damage to Covered Property at the described premises, caused by or resulting from water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces; or
 - (b) Basements, whether paved or not.
- (2) The most we will pay for loss in any one “occurrence” under this Additional Coverage is \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

55. Unintentional Property Reporting Errors

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Unintentional Property Reporting Errors

- (1) If “you” unintentionally failed to report or describe a location to

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“us”, coverage provided by this policy will not be invalid. However, “you” must report such errors or omission to “us” in writing as soon as you discover them. “You” also agree to pay the additional premium that would have been earned by “us” if the location was correctly reported to “us”.

- (2) This Additional Coverage only applies to direct loss or damaged caused by a Covered Cause of Loss at the omitted location and does not include any coverage for the perils of flood or earthquake even if flood and earthquake coverage is purchased for this or another policy.
- (3) You must provide reasonable documentation and clear and convincing evidence explaining the cause of the oversight.
- (4) For any location you have failed to report to us, this coverage will end when any of the following first occurs:
 - (a) This policy expires; or
 - (b) You report values to us.
- (5) The most we will pay for any loss under this Additional Coverage in any one policy period regardless of the number of occurrences or reporting errors or omissions is \$500,000.
- (6) This coverage is additional insurance.
- (7) This Additional Coverage does not apply to a loss that is covered under **Newly Acquired or Constructed Property** coverage.

56. Unnamed Locations

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Unnamed Locations

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to your property or property of others that is in your care, custody or control while it is at other than a described location, but located within the Coverage Territory.

(2) Special Unnamed Locations Exclusions

This Extension does not apply to:

- (a) Loss or damage caused directly or indirectly by “Flood” or Earthquake, even when these Causes of Loss are added to this policy by endorsement.
 - (b) Loss or damage covered under the following Additional Coverages or Extensions:
 - (i) Property in Transit
 - (ii) Sales Representatives Samples; or
 - (iii) Property on Exhibition.
 - (c) Any property that is covered under this Coverage Part or policy, or any other policy, whether collectible or not.
- (3) The most we will pay for loss or damage in any one “occurrence” under this Extension of Coverage is \$200,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, regardless of the number of unnamed locations.

57. Utility Services

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Utility

- (1) We will pay for loss of or damage to Covered Property caused by an interruption in service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provides the services shown below in paragraph (3).

The most we will pay for loss in any one “occurrence” under this Additional Coverage is \$100,000 at each described premises or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (2) We will pay for the actual loss of Business Income you sustain

Services

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and necessary Extra Expense you incur caused by the interruption of service at the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provides the services shown below in paragraph (3).

We will only pay for loss you sustain after the first 24 hours following the direct physical loss or damage to the property described above.

The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$100,000 at each described premises or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) Services:

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

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

(b) Communication Supply Services, meaning the following types of property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

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

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

- (i)** Utility generating plants;
- (ii)** Switching stations;
- (iii)** Substations;
- (iv)** Transformers; and
- (v)** Transmission lines.

Services under this Additional Coverage do not include overhead transmission lines that deliver utility services to you. Overhead transmission lines include, but are not limited to:

- (vi)** Overhead transmission and distribution lines;
- (vii)** Overhead transformers and similar equipment; and
- (viii)** Supporting poles and towers.

- (4)** As used in this additional coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.
- (5)** This coverage is not an additional amount of insurance.
- (6)** Coverage under this Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to "electronic data", including destruction or corruption of "electronic data".

(7) Special Utility Services Exclusion

Coverage under this Additional Coverage does not include loss of "perishable goods" due to "spoilage" that results from:

- (a)** Complete or partial lack of electrical power; or
- (b)** Fluctuation of electrical current.

58. Voluntary Parting

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Voluntary Parting

- (1)** We will pay for loss or damage to covered property when you or your "employees" are fraudulently induced to part with Covered Property to or by:
 - (a)** Persons who falsely represent themselves as the proper persons to receive the property; or
 - (b)** Acceptance of fraudulent bills of lading or shipping receipts.

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- (2) The most we will pay under this additional coverage is \$100,000 for any one "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

59. Water Damage, Other Liquids, Powder or Molten Material Damage

F. Additional Coverage Extensions, Paragraph 2. of Causes of Loss – Special Form CP 10 30 is replaced by the following:

2. Water Damage, Other Liquids, Powder or Molten Material Damage

- a. If loss or damage caused by or resulting from covered water damage or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure, or, in the case of underground pipes, lawns, shrubs or paved areas, to repair damage to the system or appliance from which the water or other substance escapes.
- b. Payment under this Additional Coverage is included within the applicable Limit of Insurance. The maximum we will pay for loss or damage to lawns, shrubs or paved areas is \$50,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

THIS IS NOT FLOOD INSURANCE OR PROTECTION FROM AN INUNDATION OF SURFACE WATER, HOWEVER CAUSED.

60. Windblown Debris

The following is added to **A. Coverage**, Paragraph 5. **Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Windblown Debris

- (1) We will pay your reasonable expenses to remove the windblown debris (including trees) from the described premises, if it is carried to the described premises from the premises of others by wind, during the policy period.
- (2) The most we will pay in any one "occurrence" in total for the removal of all windblown debris under this Extension is \$10,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

61. Worldwide Property Off-Premises

The following is added to **A. Coverage**, Paragraph 5. **Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Worldwide Property Off-Premises

- (1) You may extend the insurance that applies to your Business Personal Property and Personal Property of Others to apply to that property while it is temporarily outside the coverage territory if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) Temporarily on display or exhibit at any fair, trade show or exhibition;
 - (c) Samples of your "stock" in trade in the custody of your sales representatives; or
 - (d) While "in transit" between the described premises and a location described in (a), (b) or (c) above.
- (2) The most we will pay for loss or damage under this Extension is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) This Extension provides an additional amount of insurance.

B. Coverages Included within the Blanket Limit of Insurance

1. Accounts Receivable

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Accounts Receivable

- (1) We will pay for loss or damage caused by or resulting from a Covered Cause of Loss to your records of Accounts Receivable.

Accounts Receivable means:

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- (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 or damage; and
 - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- (2) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) Special Accounts Receivable Exclusions

We will not pay for loss or damage:

- (a) Caused by 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
- (b) Caused by bookkeeping, accounting or billing errors or omissions
- (c) That requires any audit of records or any inventory computation to prove its factual existence.

2. Deferred Payments

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Deferred Payments

- (1) We will pay for your interest in lost or damaged Personal Property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers. The loss or damage must be caused by a Covered Cause of Loss.
- (2) When a total loss to that property occurs, deferred payments are valued on

the amount shown on your books as due from the buyer.

When a partial loss to that property occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payments are valued as follows:

- (a) If the realized or appraised value of the repossessed property is greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; but
- (b) If the realized value of the repossessed property is less than the amount shown on your books as due from the buyer, we will pay the difference.

(3) When loss occurs and the buyer continues to pay you, there will be no loss payment.

(4) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

3. Fine Arts

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

Fine Arts

- (1) We will pay for direct physical loss to "fine arts" which are your property or the property of others in your care, custody or control while on the described premises. We also cover your "fine arts" while temporarily on display or exhibit away from the described premises or while "in transit" between the described premises and a location where the "fine arts" will be temporarily on display or exhibit.

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(2) The following Exclusions do not apply to this Additional Coverage:

- (a) Earth Movement; and
- (b) Water.

(3) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(4) The amount payable under this Additional Coverage is additional insurance.

(5) Special Fine Arts Exclusion

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

- (a) Breakage of statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property. But we will pay if the loss or damage is caused directly by a "specified cause of loss", earthquake or flood; and
- (b) Any repairing, restoration or re-touching of the "fine arts".

4. Fire Department Service Charge

A. Coverage, Paragraph 4. Additional Coverages, subparagraph c. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

c. Fire Department Service Charge

- (1) When the fire department is called to save or protect Covered Property from a Covered Loss, we will pay your actual expenses for your liability for fire department service charges at each described premises.
- (2) This Additional Coverage applies to your liability for fire department service charges:
 - (a) Assumed by contractor agreement prior to loss; or
 - (b) Required by local ordinance.
- (3) No deductible applies to this Additional Coverage.
- (4) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at each described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Sec-

tion of this Endorsement.

(5) Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

(6) When a volunteer fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay the amount billed to you, up to \$250, unless a higher limit is shown in the Declarations for volunteer fire department service charges.

This Additional Coverage applies to your liability for service charges billed to you by a volunteer fire department, provided that:

- a. The volunteer fire department is not fully funded by real estate taxes or other property taxes; and
- b. The service charge is not made in response to a call outside of the volunteer fire department's fire protection district, city or municipality pursuant to a contract.

No Deductible applies to this Additional Coverage.

5. Movement of Property

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Movement of Property

(1) You may extend the insurance that applies to Covered Property to apply to direct physical loss or damage from a Covered Cause of Loss to your Business Personal Property from an insured location which has been deleted from this policy if:

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- (a) You moved Covered Property from the deleted location to a new premises; and
 - (b) A Limit of Insurance for the new premises has been added to this policy; and
 - (c) The direct physical loss or damage occurs to Covered Property at the prior insured location before the movement of property to the new premises is completed.
- (2) Insurance under this Coverage Extension will end when any of the following first occurs:
- (a) The movement of property to the new premises is completed; or
 - (b) 30 days after the effective date of the endorsement adding the new premises.
- (3) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

6. Outdoor Property

A. Coverage, Paragraph 5. Coverage Extensions, subparagraph e. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

e. Outdoor Property

- (1) You may extend insurance provided by this Coverage Form to apply to your radio and television antennas (including satellite dishes), trees, shrubs, plants and lawns which are "stock" or are a part of a vegetated roof, including debris removal expense, caused by or resulting from any of the following causes of loss:
- (a) Fire;
 - (b) Windstorm;
 - (c) Hail;
 - (d) Lightning;
 - (e) Explosion;
 - (f) Riot or Civil Commotion;
 - (g) Vandalism;
 - (h) Aircraft or Vehicles;
 - (i) Theft; or

- (j) Falling Objects.
- (2) Coverage under this Extension does not apply to property held for sale by you.
- (3) We will not pay more than \$1,000 for loss or damage to any one tree, shrub or plant under this Extension.
- (4) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the Limit of Insurance shown in the Amended Limit Section of this Endorsement.

7. Personal Effects & Property of Others

A. Coverage, Paragraph 5. Coverage Extensions, subparagraph b. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

b. Personal Effects & Property of Others

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to:
- (a) Personal effects owned by you, your officers, your partners or members, your managers or officers, your directors, your trustees or your employees.
 - (b) Personal property of others in your care, custody or control.
- (2) We will not pay more than \$5,000 in total for loss or damage for any one person, in any one "occurrence". Our payment for loss or damage to personal property of others will only be for the account of the owner of the proper-

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ty. No deductible applies to this Extension.

- (3) Regardless of the number of persons involved, the most we will pay under this Extension is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

8. Research and Development Documentation

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

Research and Development Documentation

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage, resulting from a Covered Cause of Loss, to “research and development documentation” that you own or that is in your care, custody or control at a described premises.
- (2) Paragraph **B. Exclusions** of Causes of Loss – Special Form CP 10 30 do not apply to this Coverage Extension, except for:
 - (a) Paragraph **B.1.c. Governmental Action**;
 - (b) Paragraph **B.1.d. Nuclear Hazard**;
 - (c) Paragraph **B.1.f. War and Military Action**;
 - (d) Paragraph **B.2.h. Dishonesty**;
 - (e) Paragraph **B.2.i. False Pretense**; and
 - (f) Paragraph **B.3**.
- (3) This Coverage Extension does not apply to loss or damage caused by or resulting from:
 - (a) Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
 - (i) Programming errors or faulty machine instructions; or
 - (ii) Faulty installation or maintenance of data processing equipment or component parts.
 - (b) Errors or omissions in processing or

copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by the fire or explosion;

- (c) Erasure of “research and development documentation”; or
- (d) Unauthorized instructions to transfer property to any person or place.
- (4) Coverage provided by this Extension does not apply to “research and development documentation” which exist as “electronic data”.
- (5) We will not pay for loss or damage to “research and documentation” until you actually replicate such documentation. Repairs or replication must be made as soon as reasonably possible after the loss or damage, but in no event later than two years after the loss or damage unless we grant an extension in writing prior to the expiration of the two-year period.
- (6) We will not pay for loss or damage to “research and development documentation” applicable to:
 - (a) Products that are obsolete;
 - (b) Existing products you have withdrawn from the market; or
 - (c) Existing products you have not sold in the last twelve months prior to the loss.
- (7) Regardless of the number of insured locations involved, the most we will pay under this Extension for loss or damage in any one “occurrence” at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

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

A. Coverage, Paragraph 5. Coverage Extensions, subparagraph **c.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

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

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to “valuable papers and records” that you own, or that are in your care, custody or control caused by a Covered Cause of Loss. This Extension includes the cost to research, replace or restore the lost information that previously existed on “valuable papers and records” for which duplicates do not exist.
- (2) The following Exclusions do not apply to this Coverage Extension:
 - (a) Earth Movement; and
 - (b) Water.
- (3) The most we will pay under this Extension for loss or damage in any one “occurrence” at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

IV. VALUATION

A. E. Loss Conditions, Paragraph 7. Valuation, subparagraph **b.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;

- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering;

- (3) Outdoor equipment or furniture; or

- (4) Retaining walls.

B. The following is added to **E. Loss Conditions, Paragraph 7. Valuation** of Building and Personal Property Coverage Form CP 00 10:

- f.** “Valuable papers and records” at the cost of restoration or replacement, including the cost of data entry, re-programming, computer consultation services and the media on which the data or programs reside. To the extent that the contents of the “valuable papers and records” are not replaced or restored, the “valuable papers and records” will be valued at the cost of blank materials for reproducing the records and the labor to transcribe or copy the records when there is a duplicate.

g. “Money” at its face value.

h. “Securities” at their value at the close of business on the day the loss is discovered.

i. Accounts Receivable:

- (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:

- (a) We will determine the total of the average monthly amounts of accounts receivable for the 12 months preceding the month in which loss or damage occurs; and

- (b) We will 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 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 the accounts for which there is

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no loss or damage;

- (b)** The amount of the accounts that you are able to re-establish or collect; an amount to allow for probable bad debts that you are normally unable to 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.

j. Property “in transit” (other than “stock” you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may have accrued or become legally due since the shipment. If you have no invoice, actual cash value will apply.

k. “Hardware”:

- (1)** “Hardware” that is replaced will be at the cost of replacing the “hardware” with new equipment that is functionally comparable to the “hardware” that is being replaced.
- (2)** “Hardware” that is not replaced will be at actual cash value at the time of loss.
- (3)** In no event will we pay more than the reasonable cost of restoring partially damaged “hardware” to its condition directly prior to the damage.

l. “Software”:

- (1)** “Programs and applications” will be at the cost to reinstall the “programs and applications” from the licensed discs that were originally used to install the programs or applications.

If the original licensed discs are lost, damaged, or can no longer be obtained, the value of “programs and applications” will be based on the cost of the most current version of the “programs or applications”.

- (2)** “Proprietary programs” will be at the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.

If duplicate copies do not exist, the value of “proprietary programs” will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost “proprietary programs”.

- (3)** “Electronic data” will be at the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.

If duplicate copies do not exist, the value of “electronic data” will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents and records.

- (4)** “Media” will be at the cost to repair or replace the “media” with material of the same kind or quality.

m. “Fine Arts”

We will pay the lesser of:

- (1)** The market value at the time of loss or damage;
- (2)** The reasonable cost of repair or restoration to the condition immediately before the covered loss or damage; or
- (3)** The cost of replacement with substantially identical property.

For pairs or sets, we will either:

- (a)** Repair or replace any part to restore the value and condition of the pair or set to that immediately before the covered loss or damage; or
- (b)** Pay the difference between the value of the pair or set before and after the covered loss or damage.

n. Property of Others – our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners’ property. We will not pay the owners more than their financial interest in the Covered Property.

- o.** We may elect to defend you against suits arising from claims of

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owners or property. We will do this at our expense.

- p. Labor, materials and services that you furnish or arrange on personal property of others are valued based on the actual cost of the labor, materials and services.
- q. Finished "stock" you manufactured at the selling price less discounts and expenses you otherwise would have had.
- r. "Prototypes"

We will not pay more than the lesser of the following amounts:

- (1) The replacement cost of such property used for the same product, but only if replacement cost is shown as applicable to Personal Property in the Declarations.

However, when replacement with identical property is impossible or unnecessary, the amount of loss will be based on the cost to replace with similar property used to perform the same functions. Property of others will be valued in the same manner, but we will not pay more than the amount for which you are legally liable; or

- (2) The amount you actually spend to repair or replace lost or damaged "prototypes" used for the same purpose.

- s. "Research and development documentation":

We will not pay more than the least of the following amounts:

- (1) Your cost actually spent to reproduce lost or damaged "research and development documentation" from back-up files or original source documents;
- (2) The reasonable cost necessary to research, repair, restore, recreate, reconstitute, reproduce or replace "research and development documentation", used for the same product, to their condition immediately before the loss or damage;
- (3) If identical "research and development documentation" cannot be purchased, the cost to purchase such documentation of comparable kind, functionality and quality; or
- (4) The amount you actually spend to research, repair, restore, recreate, reconstitute, reproduce or replace "research and development documentation", used

for the same product.

But we will not pay more than the cost to restore "research and development documentation" to its condition immediately prior to the loss.

V. DEFINITIONS

For the purposes of this endorsement only, Paragraph **H. Definitions** of Building and Personal Property Coverage Form CP 00 10 is amended to include the following additional definitions:

1. "Antiques" means an object having value because its:
 - a. Craftsmanship is in the style or fashion of former times; and
 - b. Age is 100 years or older.
2. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
3. "Communicable disease" means a bacterial micro-organism transmitted through human contact with food.
4. "Computer equipment" means:
 - a. "Hardware" owned by you or in your care, custody or control;
 - b. "Software"; or
 - c. "Protection and control equipment".
5. "Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether employed by you or not, into "hardware" or "software", a Web site, or a computer network and that results in but is not limited to:
 - a. Deletion, destruction, generation, or modification of "software";
 - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality or performance of "software";
 - c. Observation, scanning, or copying of "electronic data", "programs and applications", and "proprietary programs";
 - d. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
 - e. Denial of access to or denial of

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services from “hardware”, “software”, computer network, or Web site including related “software”.

6. “Computer Virus” means the introduction into “hardware”, “software”, computer network, or Web site of any malicious, self-replicating electronic data processing code or other code and that is intended to result in, but is not limited to:
 - a. Deletion, destruction, generation, or modification of “software”;
 - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of “software”;
 - c. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any “hardware” or “media” used with “hardware”; or
 - d. Denial of access to or denial of services from “hardware”, “software”, computer network, or Website including related “software”.
7. “Counterfeit money” means an imitation of “money” that is intended to deceive and to be taken as genuine.
8. “Denial of service attack” means the malicious direction or a high volume of worthless inquiries to Website or e-mail destinations, effectively denying or limiting legitimate access regardless of whether or not damage to “computer equipment” results.
9. “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. But any property which delivers any of the following services is not a dependent property with respect to such services:
 - (1) Water supply services;
 - (2) Power supply services; or
 - (3) Communication supply services, including services relating to Internet access or access to any electronic network;
 - b. Accept your products or services;
 - c. Manufacture products for delivery to your customers under contract of sale; or
 - d. Attract customers to your business.
10. “Dependent property period of restoration” means the period of time that:
 - a. Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the “dependent property”; and

- b. Ends on the date when the property at the premises of the “dependent property” should be repaired, rebuilt or replaced with reasonable speed and similar quality.

“Dependent property period of restoration” does not include any increased period required due to the enforcement of any ordinance or law that:

- c. Regulates the construction, use or repair, or requires the tearing down, of any property; or
- d. 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 “dependent property period of restoration”.

11. “Discover” or “Discovered” means:
 - a. The time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details may not be known.
 - b. “Discover” or “Discovered” also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this policy.
12. “Electrical disturbance” means electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings.
13. “Electronic data” means files, documents, information and “programs and applications” in an electronic format and that are stored on “media”.
14. “Electronic vandalism” means “computer hacking”, “computer virus” or a “denial of service attack”. “Electronic vandalism” does not include the theft of any property or services.
15. “Employee” means:
 - a. Any natural

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person:

- (1) While in your service and for the first 30 days immediately after termination of service;
 - (2) Who you compensate directly by salary, wages or commissions; and
 - (3) Who you have the right to direct and control while performing services for you;
- b. Any natural person who is furnished temporarily to you:
- (1) To substitute for a permanent "employee" as defined in paragraph a.(1), who is on leave; or
 - (2) To meet seasonal or short-term work load conditions;
- 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;
- c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in paragraph b.(2);
- d. Any natural person who is:
- (1) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
 - (2) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";
- e. Any natural person who is a former "employee", partner, "manager", director or trustee retained as a consultant while performing services for you;
- f. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the described premises;
- g. Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or
- h. Any of your "managers", directors or trustees while:
- (1) Performing acts within the scope of the

usual duties of an "employee"; or

- (2) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

"Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 15. of this section.

- 16. "Employee benefit plan" means any welfare or pension benefit plan shown that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.
- 17. "Fine arts" means paintings, etchings, pictures, tapestries, rare art glass, art glass windows, valuable rugs, statuary, sculptures, "antique" jewelry, bric-a-brac, porcelains and similar property of rarity, historical value or artistic merit.
- 18. "Flood" means a general and temporary condition of partial or complete inundation of normally dry land areas due to:
 - a. The overflow of inland or tidal waters;
 - b. The unusual or rapid accumulation of runoff of surface waters from any source; or
 - c. Mudslides or mudflows which are caused by flooding as defined in b. above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
- 19. "Food contamination" means an incidence of food poisoning to one or more of your customers as a result of:
 - a. Tainted food you purchased;
 - b. Food which has been improperly stored, handled or prepared; or
 - c. A "communicable disease" transmitted through one or more of

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your "employees".

20. "Fraudulent instruction" means:

- a.** An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
- b.** A written instruction issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
- c.** An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent.

21. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

22. "Funds" means "money" and "securities".

23. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results. "Hardware" includes but is not limited to:

- a.** Mainframe and mid-range computers and servers;
- b.** Personal computers and workstations;
- c.** Laptops, palmtops, notebook PCs, other portable computer devices and accessories including, but not limited to, multimedia projectors; and
- d.** Peripheral data processing equipment, including but not limited to, printers, keyboards, monitors, and modems.

24. "Installation, tools and equipment property" means:

- a.** Materials, supplies, machinery, fixtures and equipment that will become a permanent part of your installation while:
 - (1)** Located at the site of installation;
 - (2)** "In transit" by you to or from the described premises and the job site; or

(3) While in temporary storage awaiting installation.

b. Commercial tools and equipment usual to your business and used in your installation which are:

- (1)** Your property; or
- (2)** The property of others in your care, custody or control.

Commercial tools and equipment does not include:

- (3)** Aircraft or watercraft;
- (4)** Any property while waterborne, airborne or underground;
- (5)** Property you have loaned, rented or leased to others;
- (6)** Property that is permanently mounted to a vehicle; or
- (7)** Property held for sale.

25. "In transit" means in the course of shipment from or to the premises shown in the Declarations. It includes such shipments while temporarily stopped or delayed, incidental to the delivery.

26. "Manager" means a person serving in a directorial capacity for a limited liability company.

27. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".

28. "Mechanical breakdown" means the malfunction or failure of moving or electronic parts, component failure, faulty installation, or blowout.

29. "Media" means an instrument that is used with "hardware" and on which "electronic data", "programs and applications", and "proprietary programs" can be recorded or stored. "Media" includes, but is not limited to, films, tapes, cards, discs, drums, cartridges, cells, DVDs, or CD-ROMs.

30. "Money" means:

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

31. "Occurrence" means all loss or damage that is attributable to:

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- a. An act, event, cause or series of similar, related acts, events or causes involving one or more persons; or
 - b. An act, event, cause or series of similar, related acts, events or causes not involving any person.
- 32.** "Operations" means your business activities occurring at the described premises.
- 33.** "Other property" means tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this policy.
- 34.** "Perishable goods" means personal 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.
- 35.** "Power supply disturbance" means interruption of power supply, power surge, blackout, or brownout.
- 36.** "Programs and applications" means operating programs and applications that you purchase and that are:
- a. Stored on "media"; or
 - b. Pre-installed and stored in "hardware".
- Applications includes, but is not limited to, programs for word processing, spreadsheet calculations, and graphic design.
- 37.** "Proprietary programs" means proprietary operating programs and applications that you developed or that you had developed specifically for use in your "operations" and that are:
- a. Stored on "media"; or
 - b. Installed and stored in "hardware".
- 38.** "Protection and control equipment" means:
- a. Air conditioning equipment used exclusively in the operation of the "hardware";
 - b. Fire protection equipment used for the protection of the "hardware", including automatic and manual fire suppression equipment and smoke and heat detectors; and
 - c. Uninterruptible power supply system, line conditioner, and voltage regulator.
- 39.** "Prototype" means an original version of a newly designed product that is an outcome of your "research and development operations". A "prototype" includes sample designs, experimental models or displays that are associated with or integral to the manufacture of the original version of a newly designed product.
- 40.** "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.
- 41.** "Research and development documentation" means written evidence of facts, information, processes, concepts or formulas that are directly related to the development of new products or enhancement of existing products. Written evidence includes written papers, plans, manuscripts, written or inscribed documents or plans.
- "Research and development documentation" does not include "valuable papers and records", accounts receivable or "media", "software" or "data".
- 42.** "Research and development operations" means your business activities that are directly related to the development of new products or the enhancement of existing products.
- 43.** "Scientific and professional equipment" means medical, engineering, veterinary, measurement, recording, analyzing or similar equipment.
- 44.** "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or 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.

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but does not include "money".

45. "Soft cost expenses" means additional:

- a. Realty taxes and other assessments that you incur for the period of time that construction has been extended beyond the projected completion date;
- b. Interest on money borrowed to finance construction, remodeling, renovation or repair; and
- c. Advertising, public relations and promotional expenses.

46. "Software" means:

- a. "Media";
- b. "Electronic data";
- c. "Programs and applications"; and
- d. "Proprietary programs".

47. "Spoilage" means any detrimental change in physical state of "perishable goods". Detrimental change includes, but is not limited to, thawing of frozen goods, warming of refrigerated goods, solidification of liquid or molten material, chemical reactions to material in process, and reduction in value of time sensitive materials.

48. "Theft" means the unlawful taking of property to the deprivation of the insured.

49. "Transfer account" means an account maintained by you at a financial institution from which

you can initiate the transfer, payment or delivery of "money" and "securities":

- a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
- b. By means of written instructions establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

50. "Valuable papers and records" means:

a. Inscribed, printed or written:

(1) Documents;

(2) Manuscripts; and

(3) Records

Including abstracts, books, deeds, drawings, films, maps or mortgages; and

b. Similar items stored electronically.

But, "valuable papers and records" does not mean "money" or "securities".

All other terms and conditions of the policy remain the same.

Authorized Representative

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