

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

BREWERS AND VINTNERS SPOILAGE AND CONTAMINATION COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Schedule*

Location No.	Building No.	Limit of Insurance	Deductible
Disposal Expenses Limit of Insurance:			

** Information required to complete this Schedule, if not shown on this endorsement will be shown in the Declarations.*

The following is added to **Section A. Coverage:**

- A.** We will pay for direct physical loss or damage caused by a covered Cause of Loss to your "perishable goods" while at a described premises, including "perishable goods" you have sold but not delivered.
- B.** We will also pay expenses you incur to remove and dispose of the damaged "perishable goods".
- C.** We will only pay for loss or damage to your "perishable goods" if loss or damage:
 - 1.** Occurs during the policy period;
 - 2.** Is discovered:
 - a.** Before the "perishable goods" leave the premises; and
 - b.** No more than 180 days after the expiration date of this policy.

- D.** For the purposes of this Endorsement only, Paragraph **A.3. Covered Causes of Loss** is replaced by the following:

3. Covered Causes of Loss

Covered Cause of Loss means the following:

- a. Spoilage or Process Failure** meaning:

- (1) Breakdown** – change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or

- (2) Service Outage** – change in temperature or humidity

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resulting from complete or partial interruption of electrical power, gas or water supply, either on or off the described premises, due to conditions beyond your control.

If Spoilage or Process Failure coverage is otherwise provided by this Policy, the coverage provided under Subparagraph D.3.a. will be excess of the limit(s) provided by such other coverage.

b. Contamination meaning:

- (1) A contaminant introduced during storage, or during the processing or manufacturing operation;
- (2) Contamination by refrigerant;
- (2) The proliferation of unintended organisms, including bacteria, molds or wild yeast; or
- (4) Drugs, compounds or any other physical matter or chemical material in your "perishable goods" in amounts that exceed maximum permissible levels (safe levels) established by law or by state or federal agencies. The discovery of unsafe levels must be based on tests conducted during the policy period.

But, items used in recipes or formulas are not contaminants.

E. For the purposes of this endorsement only:

- 1. "Perishable goods" located on buildings, or in the open, or in vehicles is considered to be Property Not Covered; and
- 2. Mistakes in mix ratio, formulation, processing, and ingredient addition are not covered.

F. For the purposes of this Endorsement only, Paragraph B. Exclusions is replaced with the following:

B. Exclusions

- 1. Only the following Exclusions contained in paragraph B.1 of the Cause of Loss Form applicable to this Coverage Part apply to Brewers and

Vintners Spoilage and Contamination Coverage:

- a. Earth Movement;
- b. Government Action;
- c. Nuclear Hazard;
- d. War & Military Actions; and
- e. Water.

2. The following Exclusions are added:

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

- (1) The disconnection of any refrigerating, cooling or humidity control system from the source of electrical power, gas or water supply;

- (2) The decrease or deactivation of electrical power, gas or water supply caused by the manipulation of any switch or other device used to control the flow of electrical power, gas or water supply;

- (3) The inability of a Utility Company or other electrical power, gas or water supply source to provide sufficient electrical power, gas or water supply due to:

- (a) Lack of fuel or water;

- (b) Lack of capacity on the part of that source to meet demand; or

- (c) Governmental order.

- (4) The disruption of a Utility Service due to your failure to comply with the terms and conditions of any contract.

- b. We will not pay for the loss of your "perishable goods":

- (1) If the "perishable goods" are not used or sold before any use-by-date;

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- (2) If safe levels were exceeded because of the introduction of enzymes or other catalyst designed to facilitate the production or growth of any bacteria or other organism;
 - (a) Prior to your receipt of the "perishable goods" at premises you own, rent, occupy or operate; or
 - (b) Before this coverage becomes effective.
- (3) Caused by, resulting from or aggravated by:
 - (a) Rust or corrosion;
 - (b) Strikes at premises you own, rent, occupy or operate;
 - (c) Any illness, disease, germ, virus, bacteria or other organism attributed to any of your employees;
 - (d) Blending of any contaminated or adulterated property with other property that is not contaminated or adulterated; or
 - (e) Your failure to monitor the levels of or test for contaminants, bacteria or other substance in your "perishable goods" in accordance with industry or governmental agency standards, practices or regulations.

G. The Limit of Insurance shown for a location in the Schedule is the most we will pay

under this Brewers and Vintners Spoilage and Contamination Coverage for all loss and expense occurring at that location during each separate 12 month period of this policy, regardless of the number of batches or goods damaged.

The Limit of Insurance shown in the Schedule for Disposal Expenses applies to the expenses insured in provision **B.** of Brewers and Vintners Spoilage and Contamination Coverage and is the most we will pay for all disposal expense occurring at that location during each separate 12 month period of this policy.

H. For the purposes of this Endorsement only, Paragraph **D. Deductibles** is replaced by the following:

D. Deductibles

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

I. The following is added to Paragraph **H. Definitions:**

"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.

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

Authorized Representative

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