

## BUSINESSOWNERS PROPERTY ENHANCEMENTS FOR HEALTHCARE INDUSTRY

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

### BUSINESSOWNERS COVERAGE FORM

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Notwithstanding anything to the contrary, the provisions of the Businessowners Coverage Form apply, except as provided in this endorsement.

In **Section I – Property**, Paragraph **C. Limits Of Insurance**, the following is added:

**\$ BLANKET LIMIT OF INSURANCE**

The Blanket Limit Of Insurance shown above applies only to the coverages subject to the Blanket Limit of Insurance shown above. Unless otherwise stated, this Blanket Limit Of Insurance applies separately at each covered premises shown in the Declarations. This Blanket Limit Of Insurance applies in excess of the applicable deductible shown in the Declarations.

At the time of loss, the first Named Insured may elect to apportion this Blanket Limit Of Insurance to one or any combination of the coverages subject to the Blanket Limit of Insurance, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Limit Of Insurance shown above at any one covered premises. For purposes of the application of this \$ Blanket Limit Of Insurance, all property at one premises shall constitute a single premises.

A separate, specific Limit Of Insurance may be purchased for each of these coverages subject to the Blanket Limit of Insurance. If purchased, these Limits Of Insurance and any applicable deductible will be shown in the Declarations with the applicable Blanket Limit of Insurance. If no deductible is shown in the Declarations with a coverage subject to the Blanket Limit of Insurance, then the Property Deductible will apply. When a separate, specific Limit Of Insurance is purchased for any of these coverages subject to the Blanket Limit of Insurance, such specific Limit Of Insurance will apply in addition to whatever amount the First Named Insured apportions to that coverage at time of loss as provided in the previous paragraphs.

**COVERAGES SUBJECT TO THE BLANKET LIMIT OF INSURANCE**

**A. Accounts Receivable**

In **Section I – Property**, Paragraph **A. Coverage, 6. Coverage Extensions, f. Accounts Receivable**, subparagraph **(2)** is deleted and replaced with the following:

The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is the applicable Limit Of Insurance for Accounts Receivable shown in the Schedule of this endorsement.

**B. Electronic Data (Other Than Computer Virus)**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages, p. Electronic Data** is deleted and replaced with the following:

1. Subject to the provisions of this Electronic Data (Other Than Computer Virus) Additional Coverage, we will pay for the cost to replace or restore “electronic data” that has been lost or damaged by a Covered Cause of Loss.
2. The Covered Cause of Loss applicable to this Additional Coverage does not include “computer virus”.
3. Under Paragraph **H. Property Definitions**, and only with respect to this Additional Coverage, the following definitions are added:

“Computer system” means a computer and all input, output, processing, storage, off-line media library, and communication facilities which are connected to such computer, provided such

computer and facilities are:

- a. Owned and operated by you;
- b. Leased and operated by you; or
- c. Utilized by you pursuant to a written contract.

“Computer virus” means a computer virus, harmful code or similar instruction introduced into or enacted on a “computer system” (including “electronic data”), or a network to which it is connected, designed to damage or destroy any part of the “computer system” or disrupt its normal operation.

4. The most we will pay under this Additional Coverage in any one occurrence at the described premises is the applicable Limit Of Insurance for Electronic Data (Other Than Computer Virus) shown in the Schedule of this endorsement.

### C. Fine Arts

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the following is added:

1. We will pay for direct physical loss or damage to “fine arts”, whether owned by you or owned by others and in your care, custody or control caused by or resulting from a Covered Cause Of Loss. Our payment for loss or damage to “fine arts” of others will only be for the account of the owner of the “fine arts.”
2. For the purposes of this Additional Coverage, “fine arts” means paintings, rare books, sculptures, manuscripts, pictures, prints, etchings, drawings, tapestries, bronzes, statuary, potteries, porcelains, marbles, and other bona fide works of art or items of rarity or historical value.
3. Under **E. Property Loss Conditions**, and only with respect to this Additional Coverage, Paragraph **5. Loss Payment**, subparagraphs **d. (3) (d)** and **(e)** are deleted and replaced with the following:
  - a. “Fine arts” will be valued at the lesser of the following:
    - (1) The cost of reasonably restoring the “fine arts” to its condition immediately before loss; or
    - (2) The cost of replacing the “fine arts” with substantially identical “fine arts”.
  - b. In case of loss to any part of a pair or set, we will:
    - (1) Repair or replace any part to restore the pair or set to its value before the loss; or
    - (2) Pay the difference between the value of the pair or set before and after the loss.
  - c. You must arrange for “fine arts” to be packed and unpacked by competent packers.
4. In **Section I – Property**, Paragraph **A. Coverage, 2. Property Not Covered**, the following is added:
  - a. “Fine arts,” except as provided under the Fine Arts Additional Coverage.
5. The most we will pay under this Additional Coverage for loss or damage in any one occurrence at the described premises is the applicable Limit Of Insurance for Fine Arts shown in the Schedule of this endorsement.

### D. Fire Department Service Charge

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages, c. Fire Department Service Charge** is deleted and replaced with the following:

1. When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay for the charges you:
  - a. Assume under any contract or agreement; or
  - b. Are required to pay by local ordinance,in effect at the time of the direct physical loss or damage.
2. The most we will pay under this Additional Coverage in any one occurrence at the described

premises is the applicable Limit Of Insurance for Fire Department Service Charge shown in the Schedule of this endorsement, regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

**E. Fire Extinguisher Systems Recharge Expense**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, subparagraph **o. Fire Extinguisher Systems Recharge Expense** is deleted and replaced with the following:

1. We will pay the cost you incur to refill or replace your discharged fire protection equipment, whichever is less, whether or not there is direct physical loss or damage to Covered Property.
2. No deductible applies to this Additional Coverage.
3. The most we will pay under this Additional Coverage is the applicable Limit Of Insurance for Fire Extinguisher Systems Recharge Expense shown in the Schedule of this endorsement.

**F. Leasehold Interest – Bonus Payments, Prepaid Rent, Sublease Profit, Tenants’ Lease Interest**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the following is added:

1. We will pay for the “bonus payment”, “prepaid rent”, “sublease profit” or “tenants’ lease interest” loss you incur, directly resulting from the cancellation of your written lease for the premises described in the Declarations. Cancellation of the lease must be by the lessor, by a valid condition of your lease, and due to direct physical loss or damage to a building at the premises described in the Declarations, caused by or resulting from a Covered Cause of Loss.
2. The most we will pay under this Additional Coverage in any one occurrence at the described premises is the applicable Limit Of Insurance for Leasehold Interest - Bonus Payments, Prepaid Rent, Sublease Profit, and Tenants’ Lease Interest shown in the Schedule of this endorsement.
3. Under Paragraph **H. Property Definitions**, and only with respect to this Additional Coverage, the following definitions are added:
  - a. “Bonus payment” means that portion of any cash bonus you paid based on the percentage of your lease remaining at the time of direct physical loss or damage. It does not mean rent, securities or cash bonuses refunded to you, even if you prepaid the rent or security.
  - b. “Prepaid rent” means that portion of any prepaid rent you paid based on the percentage of your lease remaining at the time of direct physical loss or damage. It does not mean the customary rent due at the beginning of any rental period.
  - c. “Sublease profit” means the net profit you earn through subleasing the building or portion of the building that you rent for the unexpired term of the canceled lease or sublease, whichever would expire first. This amount is discounted based on the prime rate of interest at the time of direct physical loss or damage for the unexpired term of the canceled lease or sublease.
  - d. “Tenants’ lease Interest” means:
    - (1) The difference between the appraised rental value of the leased premises at the time of direct physical loss or damage for the unexpired term of the lease and the actual rent due for the same period, discounted by the prime rate of interest at the time of direct physical loss or damage, for the unexpired term of the canceled lease; or
    - (2) The difference between the rent due for the unexpired term of the canceled lease and the rent due under the new lease for that same time period, not to exceed the difference between the actual rent due for the unexpired term of the canceled lease and the appraised rental value of the leased premises for that same period. This difference is discounted by the prime rate of interest at the time of direct physical loss or damage for the unexpired term of the canceled lease.

**G. Leasehold Interest – Undamaged Tenants’ Improvements and Betterments**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the following is added:

1. We will pay for the value of undamaged “tenants’ improvements and betterments” when your lease is

cancelled:

- a. By the lessor;
  - b. By a valid condition of your lease; and
  - c. Due to direct physical loss or damage to a building or business personal property at the premises described in the Declarations, caused by or resulting from a Covered Cause of Loss.
2. The most we will pay under this Additional Coverage in any one occurrence at the described premises is the applicable Limit Of Insurance for Leasehold Interest – Undamaged Tenants’ Improvements and Betterments shown in the Schedule of this endorsement.
  3. Under Paragraph **H. Property Definitions**, and only with respect to this Additional Coverage, the following definition is added:  
“Tenants’ improvements and betterments” means fixtures, alterations, installations or additions:
    - a. Made a part of a building you occupy but do not own; and
    - b. You acquired or made at your expense but cannot legally remove.

“Tenants’ improvements and betterments” does not mean land, water or air, either inside or outside of a structure; paved or concrete surfaces; retaining walls; foundations or supports below the surface of the lowest floor or basement; outdoor trees, shrubs, plants or lawns; or growing crops.

#### **H. Outdoor Property**

In **Section I – Property**, Paragraph **A. Coverage**, **6. Coverage Extensions**, **c. Outdoor Property**:

1. The following sentence is deleted:  
  
The most we will pay for loss or damage under this Extension is \$2,500, unless a higher Limit Of Insurance for Outdoor Property is shown in the Declarations, but not more than \$1,000 for any one tree, shrub or plant.
2. The following sentence is added:  
  
The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the applicable Limit Of Insurance for Outdoor Property shown in the Schedule of this endorsement, but not more than \$2,500 for any one tree, shrub or plant.

#### **I. Pair And Set**

In **Section I – Property**, Paragraph **A. Coverage**, **6. Coverage Extensions**, the following is added:

1. You may extend the insurance that applies to Business Personal Property to apply to consequential loss to your undamaged Business Personal Property, which is part of your product or any product in your care, custody or control, that has become unmarketable as a complete product because of covered direct physical loss or damage to Business Personal Property which is part of the same product.
2. The most we will pay under this Coverage Extension in any one occurrence at the described premises is the applicable Limit Of Insurance for Pair And Set shown in the Schedule of this endorsement.

#### **J. Personal Effects**

In **Section I – Property**, Paragraph **A. Coverage**, **6. Coverage Extensions**, paragraph **d. Personal Effects** is deleted and replaced with the following:

1. You may extend the insurance that applies to Business Personal Property to apply to personal effects:
  - a. Owned by you; or
  - b. Owned or leased by your officers, partners, “members”, “managers” or employees and in your care, custody or control.

2. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is the applicable Limit Of Insurance for Personal Effects shown in the Schedule of this endorsement.

**K. Valuable Papers And Records**

In **Section I – Property**, Paragraph **A. Coverage, 6. Coverage Extensions, e. Valuable Papers And Records**, subparagraph **(3)** is deleted and replaced with the following:

The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is the applicable Limit Of Insurance for Valuable Papers and Records shown in the Schedule of this endorsement.

**I. COVERAGES SUBJECT TO THE APPLICABLE BUILDING OR PERSONAL PROPERTY LIMIT OF INSURANCE OR INCLUDED IN BUSINESS INCOME AND EXTRA EXPENSE**

**A. Brands And Labels**

In **Section I – Property**, Paragraph **A. Coverage, 6. Coverage Extensions**, the following is added:

1. If this policy insures “stock”, which is branded or labeled merchandise held in storage or for sale, and such merchandise suffers covered direct physical loss or damage, you may extend that insurance to apply to the cost to:
  - a. Remove the brand or label and then relabel the lost or damaged merchandise to comply with the law; or
  - b. Label the lost or damaged merchandise as “salvage”, but, in doing so, cause no further damage to the merchandise.
2. This Coverage Extension is subject to the applicable Limit Of Insurance for Business Personal Property shown in the Declarations.

**B. Business Personal Property Enhancements**

In **Section I – Property**, Paragraph **A. Coverage, 1. Covered Property**, subparagraph **b.** is deleted and replaced with the following:

1. Business Personal Property located in or on the buildings or structures at the described premises or in the open (or in a vehicle) within 1,000 feet of the premises described in the Declarations, including:
2. In **Section I – Property**, Paragraph **A. Coverage, 1. Covered Property**, the following are added under subparagraph **b.**:
  - a. Glass in buildings you do not own, if you are legally or contractually required to maintain such glass; and
  - b. Business personal property temporarily in portable storage units.
3. In **Section I – Property**, Paragraph **E. Property Loss Conditions, 5. Loss Payment**, subparagraph **d.(3)(b)** is deleted.
4. In **Section I – Property**, Paragraph **E. Property Loss Conditions**, the following is added:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

**C. Ordinance Or Law – Undamaged Portion Of Building**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the following is added:

1. With respect to a building that has sustained covered direct physical loss or damage, we will pay

for the loss in value of the undamaged portion of the building, if an "ordinance or law" requires the demolition of undamaged parts of that building.

2. When there is a loss in value of an undamaged portion of a building to which this Additional Coverage applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - a. If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of the following:
    - (1) The amount you actually spend to repair, rebuild or reconstruct the building, but not more than the amount it would cost to repair, rebuild or reconstruct the building on the same premises and to the same height, floor area, style and comparable quality of the lost or damaged building; or
    - (2) The Limit Of Insurance shown in the Declarations applicable to the lost or damaged building.
  - b. If the building is not repaired or replaced, we will not pay more than the lesser of the following:
    - (1) the actual cash value of the building at the time of loss; or
    - (2) The Limit Of Insurance shown in the Declarations applicable to the lost or damaged building.
3. This Additional Coverage is included in the applicable Building Limit Of Insurance shown in the Declarations.
4. This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.
5. Under Paragraph **H. Definitions**, and for the purposes of this Additional Coverage, the following definition is added:
  - a. "Ordinance or law" means an ordinance or law that regulates the demolition, construction or repair of buildings and establishes zoning or land use requirements applicable to the described premises, provided such ordinance or law is in effect at the time of loss or damage.
  - b. "Ordinance or law" does not include any ordinance or law that requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants", or the costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of "pollutants".

**D. Ordinance Or Law – Increased Period Of Restoration**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the following is added:

1. If a Covered Cause of Loss occurs to a building at the premises described in the Declarations and the building is subject to an "ordinance or law", then the definition of "Period Of Restoration" under paragraph **H., Definitions** is deleted and replaced by the following:
  - a. "Period of restoration" means the period of time that:
    - (1) Begins:
      - (a) 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises, unless a lesser number of hours is shown in the Declarations; or
      - (b) Immediately after the time of the covered direct physical loss or damage for Extra Expense Coverage; and
    - (2) Ends on the earlier of:
      - (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
      - (b) The date when business is resumed at a new permanent location.



- b. "Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of an "ordinance or law".
  - c. The expiration date of this policy will not cut short the "period of restoration".
2. Under Paragraph **H. Definitions**, and for the purposes of this Additional Coverage, the following definition is added:
- a. "Ordinance or law" means an ordinance or law that regulates the demolition, construction or repair of buildings and establishes zoning or land use requirements applicable to the described premises, provided such ordinance or law is in effect at the time of loss or damage.
  - b. "Ordinance or law" does not include any ordinance or law that requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants", or the costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of "pollutants".
3. This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.

**E. Preservation Of Property**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages, b. Preservation of Property** is deleted and replaced with the following:

- 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 for any direct physical loss or damage to that property:
  - a. While it is being moved or while temporarily stored at another location; and
  - b. Only if the loss or damage occurs within 45 days after the property is first moved.

**F. Tenants' Building And Business Personal Property**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the following is added:

- 1. We will pay for direct physical loss or damage to Building or Business Personal Property for which you have a contractual responsibility to insure as a tenant. This includes buildings, fixtures, machinery and equipment.
- 2. The most we will pay under this Additional Coverage for loss or damage in any one occurrence at the described premises is the Limit Of Insurance for Tenants' Building and Business Personal Property shown in the Schedule of this endorsement.

**II. COVERAGES SUBJECT TO SEPARATE LIMITS OF INSURANCE**

**A. Appurtenant Buildings And Structures**

In **Section I – Property**, Paragraph **A. Coverage, 6. Coverage Extensions**, the following is added:

- 1. You may extend the insurance that applies to Buildings to apply to incidental appurtenant buildings or structures located within 1,000 feet of the described premises.
- 2. You may extend the insurance that applies to Business Personal Property to apply to business personal property contained within incidental appurtenant buildings or structures that are located within 1,000 feet of the described premises.
- 3. For the purposes of this Coverage Extension, incidental appurtenant buildings or structures mean storage buildings, carports, garages, pump houses or above-ground tanks which have not been specifically described in the Declarations.
- 4. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the

described premises is the applicable Limit Of Insurance for Appurtenant Buildings & Structures shown in the Schedule of this endorsement, regardless of the number of described premises involved.

## **B. Business Income From Dependent Property**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages, m. Business Income From Dependent Properties**, subparagraph **(1)** is deleted and replaced with the following:

1. We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property or secondary dependent property caused by or resulting from any Covered Cause Of Loss.
2. However, this Additional Coverage does not apply when the only loss at the premises of a dependent property or secondary dependent property is loss or damage to “electronic data”, including destruction or corruption of “electronic data”. If the dependent property or secondary dependent property sustains loss or damage to “electronic data” and other property, insurance under this Additional Coverage ends once the other property is repaired, rebuilt or replaced.
3. The most we will pay under this Additional Coverage is the applicable Limit Of Insurance for Business Income From Dependent Property shown in the Schedule of this endorsement.
4. In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages, m. Business Income From Dependent Properties**, subparagraph **(4)** is deleted and replaced with the following:  
Dependent property means property owned by others whom you depend on to:
  - a. Deliver materials or services to you, or to others for your account. But services does not mean water supply services, wastewater removal services, communication supply services or power supply services;
  - b. Accept your products or services;
  - c. Manufacture your products for delivery to your customers under contract for sale; or
  - d. Attract customers to your business.

The dependent property may be located anywhere in the world, except to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

5. This Additional Coverage does not apply to property at the premises of a vendor that provides you with “on-line access” services.
6. Under Paragraph **H. Property Definitions**, the following definition is added: “On-line access” means:
  - a. Accessing information made available by third parties; or
  - b. Making information available to third parties, via computer or other electronic system.

## **C. Business Income Extension For Websites**

In **Section I - Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the following is added:

1. We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your “operations” during the “period of restoration”. The suspension must be caused by covered direct physical loss or damage to property at the premises of a vendor that provides you with “on-line

access” services. The premises of the vendor may be located anywhere in the world, except to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

2. The most we will pay under this Additional Coverage in any one occurrence at the described premises is the applicable Limit Of Insurance for Business Income Extension For Websites shown in the Schedule of this endorsement.
3. This Additional Coverage applies only if you regularly back-up software, data, or other information in electronic form at a location other than the site of the website vendor.
4. Under Paragraph **H. Property Definitions**, and only with respect to this Additional Coverage, the definition of “period of restoration” is deleted and replaced with the following:  
“Period of restoration” means the period of time that begins 12 hours after the time of direct physical loss or damage and ends the earlier of:
  - a. The date when the property at the premises of a vendor that provides you with “on-line access” services is repaired or replaced with reasonable speed and similar quality; or
  - b. Seven days following the date of the covered direct physical loss or damage.
5. Under Paragraph **H. Property Definitions**, the following definition is added: “On-line access” means:
  - a. Accessing information made available by third parties; or
  - b. Making information available to third parties, via computer or other electronic system.

#### **D. Computer Fraud And Funds Transfer Fraud**

In **Section I – Property**, Paragraph **A. Coverage**, **5. Additional Coverages**, the following is added:

1. We will pay for:
  - a. Loss of or 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 premises, bank or savings institution:
    - (1) To a person (other than a messenger) outside those premises; or
    - (2) To a place outside those premises; and
  - b. Loss of “money” or “securities” resulting directly from a “fraudulent instruction” directing a financial institution to transfer, pay or deliver “money” and “securities” from your “transfer account”.
2. The most we will pay under this Additional Coverage is the applicable Limit Of Insurance for Computer Fraud And Funds Transfer Fraud shown in the Schedule of this endorsement.
3. In **Section I – Property**, Paragraph **B. Exclusions**, paragraph **2.g. False Pretense** is deleted and replaced with the following:  
We will not pay for loss or damage caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

4. In Section I - **Property**, Paragraph **A. Coverage, 4. Limitations**, and only with respect to this Additional Coverage, subparagraph **a. (4)** does not apply.
5. Under Paragraph **H. Property Definitions**, and only with respect to this Additional Coverage, the following definitions are added:

"Employee" means:

- a. Any natural person:
  - (1) While in your service or for 30 days 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)** above, 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)** above;
- 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(s)" insured under this policy; and
  - (2) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this policy;
- e. Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or
- 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 premises.

"Employee" does not mean:

- a. Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- b. Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

"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 (other than those described in the Forgery Or Alteration Additional Coverage of the Businessowners Coverage Form) 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.

"Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.

"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" by means of:

- a. Electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
- b. Written instructions (other than those described in the Forgery Or Alteration Additional Coverage of the Businessowners Coverage Form) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

#### **E. Debris Removal**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages, a. Debris Removal**, subparagraphs **(3), (4) and (5)** are deleted and replaced with the following:

The most that we will pay under this Additional Coverage in any one occurrence at the described premises is the applicable Limit Of Insurance for Debris Removal shown in the Schedule of this endorsement.

#### **F. Deferred Payments**

In **Section I – Property**, Paragraph **A. Coverage, 6. Coverage Extensions**, the following is added:

1. You may extend this insurance to apply to your interest in Business Personal Property that suffers direct physical loss or damage caused by or resulting from a Covered Cause Of Loss and sold by you under a conditional sale or trust agreement or any installment or deferred payment plan:
  - a. While in transit to buyers; or
  - b. After delivery to buyers.
2. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is the applicable Limit Of Insurance for Deferred Payments shown in the Schedule of this endorsement.
3. This Coverage Extension does not apply to default by the buyer of such agreement or plan.

#### **G. Electronic Data Recovery Costs (Computer Virus)**

In **Section I – Property**, Paragraph **A. Coverage, 5 Additional Coverages**, the following is added:

1. We will pay for "electronic data recovery costs" as a result of direct physical loss or damage to "electronic data" or a "computer system" caused by or resulting from "computer virus".
2. Under Paragraph **H. Property Definitions**, and only with respect to this Additional Coverage, the following definitions are added:

"Electronic data recovery costs" means the reasonable and necessary costs you incur to:

- a. Copy, recreate, replace or retrieve "electronic data" you own or use, or which resides on a system you own or lease; and
- b. Restore a system you own or lease to the functionality that existed prior to the "computer virus".

"Computer system" means a computer and all input, output, processing, storage, off-line media library, and communication facilities which are connected to such computer, provided such computer and facilities are:

- a. Owned and operated by you;
- b. Leased and operated by you; or
- c. Utilized by you pursuant to a written contract.

“Computer virus” means a computer virus, harmful code or similar instruction introduced into or enacted on a “computer system” (including “electronic data”), or a network to which it is connected, designed to damage or destroy any part of the “computer system” or disrupt its normal operation.

- 3. The most we will pay under this Additional Coverage at all premises for the sum of such “electronic data recovery costs” that occur during each separate 12-month policy period is the Limit Of Insurance for Electronic Data Recovery Costs (Computer Virus) shown in the Schedule of this endorsement.

#### **H. Employee Dishonesty**

In **Section I – Property**, Paragraph **G. Optional Coverages, 3. Employee Dishonesty**, subparagraph **c.** is deleted and replaced with the following:

The most we will pay under this Optional Coverage in any one occurrence at the described premises is the applicable Limit Of Insurance for Employee Dishonesty shown in the Schedule of this endorsement.

#### **I. Forgery Or Alteration**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages, k. Forgery Or Alteration**, subparagraph **(4)** is deleted and replaced with the following:

The most we will pay under this Additional Coverage for any loss, including legal expenses, in any one occurrence at the described premises is the applicable Limit Of Insurance for Forgery Or Alteration shown in the Schedule of this endorsement.

#### **J. Hired Car Physical Damage**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the following is added:

- 1. We will pay for direct physical loss or damage caused by or resulting from a Covered Cause of Loss to a “car” that:
  - a. you lease, hire, rent or borrow; or
  - b. is leased, hired or rented by your employee pursuant to a contract in which such employee is a party, with your written permission, while performing duties related to the conduct of your business.
- 2. We will also pay for damages you are legally obligated to pay for loss of use of a covered leased, hired, or rented “car” if:
  - a. it results from a Covered Cause Of Loss; and
  - b. the lessor sustains an actual financial loss.
- 3. We will not pay for loss or damage:
  - a. to any “car” while used in professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for loss or damage to any “car” while that “car” is being prepared for such a contest or activity.
  - b. caused by or resulting from:
    - (1) wear and tear, freezing, mechanical or electrical breakdown; or
    - (2) blowouts, punctures or other road damage.
  - c. to any of the following:

- (1) tapes, records, discs, or other similar audiovisual or other electronic devices designed for use with audiovisual or other electronic equipment; or
  - (2) any device designed or used to detect speed-measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measuring equipment.
  - d. to any "car" hired or borrowed from any of your employees, partners (if you are a partnership), "members" (if you are a limited liability company), volunteers, or any member of any of the foregoing's household.
  - e. to a chauffeured vehicle, which is a leased, hired, rented or borrowed "car" operated by a third party driver; or
  - f. to a "car" that is leased for a period of more than six months.
4. We will not pay for loss or damage until it exceeds the Hired Car Physical Damage deductible amount of \$1,000. For a "car" to which this Additional Coverage applies, our obligation to pay for, repair, return, or replace the damaged or stolen "car" will be reduced by this Hired Car Physical Damage deductible.
5. The most we will pay under this Additional Coverage is the lesser of the following:
- a. The actual cash value at the time of loss or damage;
  - b. The cost of repairing or replacing the "car" with another one of like kind and quality; or
  - c. The applicable Limit Of Insurance for Hired Car Physical Damage shown in the Schedule of this endorsement.

At our option, we may:

- a. Pay to repair or replace the "car";
- b. Return the "car" at our expense; or
- c. Take all or any part of the "car" at an agreed or appraised value.

If we pay for the loss, our payment will include the applicable sales tax for the damaged or stolen "car."

6. In **Section I – Property**, Paragraph **E. Property Loss Conditions**, and only with respect to this Additional Coverage, paragraphs **2. Appraisal** and **3. Duties In The Event Of Loss or Damage** are deleted and the following are added:
- a. If you and we disagree on the amount of loss, either party may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will pay its chosen appraiser and bear the other expenses of the appraisal and umpire equally. If we submit to an appraisal, we still retain our right to deny the claim.
  - b. In the event of loss or damage to a hired "car," you must do the following:
    - (1) Promptly notify the police if all or any part of or the "car" is stolen or inexplicably missing;
    - (2) Take all reasonable steps to protect the "car" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim;
    - (3) Permit us to inspect the "car" and records proving the loss or damage before it's repair or disposition; and
    - (4) Agree to examination under oath at our request and give us a signed statement of your answers.

7. In **Section III – Common Policy Conditions**, Paragraph **H. Other Insurance**, and only with respect to this Additional Coverage, Paragraph **H. Other Insurance** is deleted and the following is added:  
The insurance provided under this Additional Coverage is intended to be primary insurance. If you have other insurance in the name of your business that provides Hired Car Physical Damage coverage on a primary basis, this coverage will contribute with that other insurance on a pro-rata basis.
8. Under Paragraph **F. Property General Conditions**, and only with respect to this Additional Coverage, subparagraph **3. No Benefit To Bailee** is deleted and replaced with the following:  
We will not recognize any assignment or provide any insurance for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.
9. Under Paragraph **H. Definitions**, and only with respect to this Additional Coverage, the following definition is added:  
“Car” means a private passenger vehicle or truck with a gross vehicle weight of 20,000 lbs. or less.  
“Car” includes a trailer with a load capacity of 2,000 lbs. or less and permanently attached.
10. Under **Section I – Property**, Paragraph **A. Coverage, 2. Property Not Covered**, subparagraph **a.** is deleted and replaced with the following:  
Aircraft, automobiles, motor trucks and other vehicles subject to motor vehicle registration, except as provided in the Hired Car Physical Damage Additional Coverage.

#### **K. Identity Theft Expense**

In **Section I – Property, Paragraph A. Coverage, 5. Additional Coverages**, the following is added:

1. We will pay for “expenses” you incur as a direct result of any one “identity theft” that is first discovered by you during the policy period. Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others, against you is considered to be one “identity theft,” even if a series of acts continues into a subsequent policy period.
2. We will not pay for:
  - a. Expenses incurred due to any fraudulent, dishonest or criminal act by any insured, any person aiding or abetting any insured, or any authorized representative or agent of any insured, whether acting alone or in collusion with others;
  - b. Expenses incurred that are not related to the identity of an individual; or
  - c. Loss other than “expenses.”
3. This Additional Coverage does not apply to any expenses otherwise covered under the Unauthorized Business Card Use Additional Coverage.
4. We will not pay for incurred “expenses” until the covered “expenses” for any one “identity theft” exceed a deductible of \$250. Our obligation to pay for covered “expenses” will be reduced by this “Identity Theft” deductible.
5. The most we will pay under this Additional Coverage for the sum of all covered “expenses” arising out of all “identity theft” against you discovered during each separate 12 month policy period is the applicable Limit Of Insurance for Identity Theft Expense shown in the Schedule of this endorsement.
6. In the event covered “expenses” are incurred by you, within 60 days after our request, you must send us receipts, bills or other records that support your claim for “expenses” under this Additional Coverage.



7. Under Paragraph **H. Property Definitions**, and only with respect to this Additional Coverage, the following definitions are added:

“Expenses” mean:

- a. Costs for notarizing affidavits or similar documents attesting to fraud, required by financial institutions or similar credit grantors or credit agencies;
- b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
- c. Lost income resulting from time taken off work to:
  - (1) Complete fraud affidavits;
  - (2) Meet with or talk to law enforcement agencies, credit agencies or legal counsel up to a total payment of \$5,000, subject to a maximum of \$200 per day.
- d. Loan application fees for reapplying for a loan when the original application is rejected solely because the lender received incorrect credit information; and
- e. Reasonable attorneys’ fees to:
  - (1) Defend lawsuits brought against an Insured by merchants, financial institutions or collection agencies;
  - (2) Remove any criminal or civil judgments wrongly entered against an insured; or
  - (3) Challenge the accuracy or completeness of any information in a consumer credit report; or
- f. Reasonable fees for professional financial advice or professional credit advice.

“Identity theft” means the act of knowingly transferring or using, without lawful authority, a means of identification of an Insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

#### **L. Mobile Communication Property**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the following is added:

1. We will pay for direct physical loss or damage to “mobile communication property” caused by or resulting from a Covered Cause of Loss.
2. The “mobile communication property” may be located anywhere in the world, except to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.
3. This Additional Coverage does not apply to “mobile communication property” at, or within 1,000 feet of, the premises described in the Declarations.
4. We will not pay for loss or damage under this Additional Coverage unless the amount exceeds the Mobile Communication Deductible amount of \$2,500 in any one occurrence or the Mobile Communication Deductible amount shown in the Declarations, whichever is greater.
5. The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the Limit Of Insurance for Mobile Communication Property shown in the Schedule of this endorsement.
6. In **Section I – Property**, Paragraph **H. Definitions**, and only with respect to this Additional Coverage, the following definition is added:

“Mobile communication property” means cellular telephones, laptop computers, pagers, personal digital assistants, mobile hand held global positioning systems and other hand held communication devices.

## **M. Money And Securities**

In **Section I – Property**, Paragraph **G. Optional Coverages, 2. Money And Securities**, subparagraph **c.** is deleted and replaced with the following:

1. The most we will pay under this Optional Coverage in any one occurrence for loss of or damage to “money” and “securities” while:
  - a. In or on the described premises; or
  - b. Within a bank or savings institution,is the applicable Limit Of Insurance for Money And Securities - Inside The Premises shown in the Schedule of this endorsement.
2. The most we will pay under this Optional Coverage in any one occurrence for loss or damage to “money” and “securities” while located anywhere within the Coverage Territory, other than paragraph (1) above, is the Limit Of Insurance for Money And Securities - Outside The Premises shown in the Schedule of this endorsement.
3. Under **Section I – Property**, Paragraph **B. Exclusions**, and only with respect to this Optional Coverage, the following exclusion is added:

We will not pay for 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 premises, bank or savings institution to a:

  - a. Person (other than a messenger); or
  - b. Place,outside those premises.

## **N. Newly Acquired Or Constructed Property – Buildings**

1. In **Section I – Property**, Paragraph **A. Coverage, 6. Coverage Extensions, a. Newly Acquired or Constructed Property**, subparagraph **(1) Buildings**, the last sentence is deleted and replaced with the following:

The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the applicable Limit Of Insurance for Newly Acquired Or Constructed Property – Buildings shown in the Schedule of this endorsement.
2. In **Section I – Property**, Paragraph **A. Coverage, 6. Coverage Extensions, a. Newly Acquired or Constructed Property**, subparagraph **(3)(b) of Period of Coverage** is deleted and replaced with the following:

“180 days expire after you acquire the property or begin construction of that part of the building that would qualify as Covered Property”.

## **O. Newly Acquired Or Constructed Property – Business Personal Property**

1. In **Section I – Property**, Paragraph **A. Coverage, 6. Coverage Extensions, a. Newly Acquired or Constructed Property**, the last paragraph of subparagraph **(2) Business Personal Property** is deleted and replaced with the following:

The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the applicable Limit Of Insurance for Newly Acquired Or Constructed Property – Business Personal Property shown in the Schedule of this endorsement.
2. Under **Section I – Property**, Paragraph **A. Coverage, 6. Coverage Extensions, a. Newly Acquired or Constructed Property**, subparagraph **(3)(b) of Period of Coverage** is deleted and replaced with the following:

“180 days expire after you acquire the property or begin construction of that part of the building that would qualify as Covered Property”.

**P. Newly Acquired Or Constructed Property – Business Income**

In **Section I – Property**, Paragraph **A. Coverage, 6. Coverage Extensions**, the following is added:

1. You may extend your business income coverage to apply to property at any location you acquire.
2. Insurance under this Coverage Extension for each newly acquired location will end when any of the following first occurs:
  - a. This policy expires;
  - b. 180 days expire after you acquire the location; or
  - c. You report the values to us.
3. We will charge you additional premium for values reported from the date you acquire the property.
4. The most we will pay under this Coverage Extension for loss of Business Income in any one occurrence is the Limit Of Insurance for Newly Acquired Or Constructed Property – Business Income shown in the Schedule of this endorsement.

**Q. Ordinance Or Law – Demolition Cost**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the following is added:

1. With respect to a building that has sustained covered direct physical loss or damage, we will pay for the cost to demolish and clear the site of the undamaged parts of the same building, if an “ordinance or law” requires the demolition of such undamaged property.
2. The most we will pay under this Additional Coverage is the Limit Of Insurance for Ordinance Or Law – Demolition Costs shown in the Schedule of this endorsement.
3. This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.
4. Under Paragraph **H. Definitions**, and for the purpose of this Additional Coverage, the following definition is added:
  - a. “Ordinance or law” means an ordinance or law that regulates the demolition, construction or repair of buildings and establishes zoning or land use requirements applicable to the described premises, provided such ordinance or law is in effect at the time of loss or damage.
  - b. “Ordinance or law” does not include enforcement of or compliance with any ordinance or law that requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by “pollutants”, or the costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of “pollutants”.

**R. Ordinance Or Law – Increased Cost Of Construction**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, Paragraph **I. Increased Cost of Construction** is deleted and replaced with the following:

1. With respect to a building that has sustained covered direct physical loss or damage, we will pay the increased cost to:
  - a. Repair or reconstruct the damaged portions of that building; or

- b. Reconstruct or remodel the undamaged portions of that building, whether or not demolition is required, when the increased cost is a consequence of a requirement to comply with the minimum standards of an “ordinance or law”.
- 2. We will not pay under this Additional Coverage:
  - a. Until the property is actually repaired or replaced, at the same or another premises; and
  - b. Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the two years.
- 3. 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 under this Additional Coverage is the lesser of the:
  - a. Increased cost of construction at the same premises; or
  - b. Limit Of Insurance for Ordinance Or Law – Increased Cost Of Construction shown in the Schedule of this endorsement.
- 4. This Additional Coverage applies only if the:
  - a. Restored or remodeled building is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law; and
  - b. Building is repaired, reconstructed or remodeled.
- 5. **Paragraph E.5.d. Loss Payment Property Loss Condition** does not apply to this Additional Coverage.
- 6. The most we will pay under this Additional Coverage is the Limit Of Insurance for Ordinance Or Law – Increased Cost Of Construction shown in the Schedule of this endorsement.
- 7. Under Paragraph **H. Definitions**, and for the purposes of this Additional Coverage, the following definition is added:
  - a. “Ordinance or law” means an ordinance or law that regulates the demolition, construction or repair of buildings and establishes zoning or land use requirements applicable to the described premises, provided such ordinance or law is in effect at the time of loss or damage.
  - b. “Ordinance or law” does not include enforcement of or compliance with any ordinance or law that requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by “pollutants”, or the costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of “pollutants”.
- 8. This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.
- 9. When direct physical loss or damage is caused by or results from both a Covered Cause Of Loss and an excluded peril, this Additional Coverage will not include the Ordinance or Law costs attributable to the excluded peril. Instead, this Additional Coverage will be based on that portion of such costs equal to the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage, not including Ordinance Or Law costs, unless the “ordinance or law” applies solely to that portion of the Building that suffered the covered direct physical loss or damage.

**S. Outdoor Signs**

In **Section I – Property**, Paragraph **G. Optional Coverages, 1. Outdoor Signs**,

subparagraph (d) is deleted and replaced with the following:

The most we will pay under this Optional Coverage for loss or damage in any one occurrence is the applicable Limit Of Insurance for Signs shown in the Schedule of this endorsement.

**T. Personal Property Off-Premises**

In **Section I – Property**, Paragraph **A. Coverage, 6. Coverage Extensions, b. Personal Property Off-premises** is deleted and replaced with the following:

1. You may extend the insurance provided by this policy to apply to your Covered Property while it is in the course of transit or while at unspecified premises.
2. This Coverage Extension does not apply to “money” or “securities”.
3. The most we will pay under this Coverage Extension for loss or damage in any one occurrence is the Limit Of Insurance for Personal Property Off-premises shown in the Schedule of this endorsement.

**U. Pollutant Clean-up And Removal**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the last paragraph under paragraph **h. Pollutant Clean-up And Removal** is deleted and replaced with the following:

The most we will pay for each location under this Additional Coverage for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy is the Limit Of Insurance for Pollutant Clean-up And Removal shown in the Schedule of this endorsement.

**V. Precious Metals**

In **Section I – Property**, Paragraph **A. Coverage, 4. Limitations**, subparagraph **c. (2)** is deleted and replaced with the following:

The most we will pay for loss or damage in any one occurrence for precious metals, including bullion, gold, silver, platinum and other precious alloys and metals not incorporated into jewelry is the Limit Of Insurance for Precious Metals shown in the Schedule of this endorsement. This Limitation applies only to loss or damage by theft.

**W. Refrigeration Breakdown Expense - Vehicles**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the following is added:

1. We will pay for the necessary “refrigeration expenses” you incur to avoid the imminent spoilage of your refrigerated product due to the sudden and accidental breakdown of refrigerated equipment while on transporting conveyances you own or lease.
2. Under **Paragraph H. Property Definitions**, and only for the purposes of this Additional Coverage, the following definition is added:
3. “Refrigeration expense” means:
  - a. Expenses to dispatch a replacement vehicle, including the additional wages of the driver of that replacement vehicle;
  - b. Wages for laborers to unload the disabled vehicle and reload the replacement vehicle; and
  - c. Expenses for temporary storage of product in cold storage facilities while awaiting disposition of the product.
4. The most we will pay under this Additional Coverage for all refrigeration expenses in any one occurrence is the applicable Limit Of Insurance for Refrigeration Breakdown

Expense – Vehicles shown in the Schedule of this endorsement.

#### **X. Reward Coverage**

**In Section I – Property, Paragraph A. Coverage, 5. Additional Coverages**, the following is added:

1. This insurance is extended to apply to a reward for information leading to a felony conviction arising out of loss or damage to Covered Property caused by or resulting from arson, larceny, burglary or vandalism.
2. The most we will pay for this Additional Coverage is 25% of the covered loss or damage, not to exceed the Limit Of Insurance for Reward Coverage shown in the Schedule of this endorsement.

#### **Y. Temperature Or Humidity Change (Including Spoilage)**

**In Section I – Property, Paragraph A. Coverage, 5. Additional Coverages**, the following is added:

1. We will pay for direct physical loss or damage to “perishable stock” at the described premises caused by or resulting from:
  - a. a change in temperature or humidity resulting from:
    - (1) “Mechanical breakdown”; or
    - (2) Failure of:
      - (a) Stationary heating units; or
      - (b) Refrigerating, cooling or humidity control apparatus or equipment;  
only while such units, equipment or apparatus are at the described premises;
  - 1 Complete or partial failure of electrical power on the described premises. Such failure of power must be due to conditions beyond your control; or
  - 2 The sudden and accidental discharge, dispersal, seepage, migration, release or escape of a refrigerant.
2. This Additional Coverage does not apply to “perishable stock”:
  - a. That is a vegetated roof;
  - b. In the open; or
  - c. In vehicles.
3. Under Paragraph **E. Property Loss Conditions**, and only with respect to this Additional Coverage, the following is added under Loss Payment:  
“Finished perishable stock” is valued at your selling price, less any discounts and expenses you otherwise would have had.
4. This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, Utility Services Exclusion or the Mechanical Breakdown Exclusion to the extent that such exclusions would conflict with the provisions of this Additional Coverage.
5. Under **Section I – Property, Paragraph B. Exclusions**, and only with respect to this Additional Coverage, the following exclusion is added:  
We will not pay for loss or damage caused by or resulting from the:
  - a. Disconnection of any of the following systems from the source of power:
    - (1) Refrigeration;
    - (2) Cooling; or

- (3) Humidity control;
  - b. Loss of electrical power caused by shutting off of any switch or other device used to control the flow of electrical power or current.
  - c. Inability of an electrical utility company, your stationary heating system, or any other power source to provide sufficient heat or power due to:
    - (1) Lack of fuel;
    - (2) Lack of capacity to make enough heat or power; or
    - (3) An order of government authority.
  - d. Faulty operation of equipment or failure of equipment.
6. The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the applicable Limit Of Insurance for Temperature or Humidity Change (Including Spoilage) shown in the Schedule of this endorsement.
7. Under **Section I – Property**, Paragraph **H. Property Definitions** and only for the purposes of this Additional Coverage, the following definitions are added:
- “Finished perishable stock” means “perishable stock” which you have manufactured which is in its completed state and ready for sale. “Finished perishable stock” does not mean “perishable stock” that you have manufactured which is in its completed state and ready for sale on the premises of any retail outlet.
- “Mechanical breakdown” means:
- a. Breaking or separation of any mechanical part(s), other than gas pipes or lines; or
  - b. Burning out of any electrical motor servicing unity; and
- requiring replacement of the damaged parts to become functional.
- “Mechanical breakdown” does not mean faulty operation or failure of equipment which results in temperature change but does not require replacement of broken parts.
- “Perishable stock” means personal property:
- a. Maintained under controlled conditions for its preservation; and
  - b. Susceptible to direct physical loss or damage if the controlled conditions change.

**Z. Unauthorized Business Card Use**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages**, the following is added:

- 1. We will pay for:
  - a. Your loss of “money”; or
  - b. Charges and costs you incur, that result directly from the unauthorized use of credit, debit or charge cards issued in your business name, including funds transfer cards, charge plates, or telephone cards.
- 2. The most we will pay under this Additional Coverage in any one occurrence is the applicable Limit Of Insurance for Unauthorized Business Card Use shown in the Schedule of this endorsement.

**AA. Utility Services – Direct Damage**

In **Section I – Property**, Paragraph **A. Coverage, 6. Coverage Extensions**, the following is added:

1. We will pay for direct physical loss or damage to Covered Property caused by or resulting from the interruption of utility service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause Of Loss to “property of a utility” not on the described premises.
2. This Coverage Extension is not subject to the terms of the Utility Services Exclusion, to the extent that such exclusion would conflict with the provisions of this Coverage Extension.
3. Under Paragraph **H, Property Definitions**, the following is added:  
 “Property of a utility” means property owned or leased by a utility and used to provide the described premises with:
  - a. Water supply
  - b. Communication supply; or
  - c. Power supply services services.
4. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is the Limit Of Insurance for Utility Services – Direct Damage shown in the Schedule of this endorsement.

**BB. Utility Services – Business Income And Extra Expense**

In Section I – Property, Paragraph A. Coverage, 6. Coverage Extensions, the following is added:

1. We will pay for the actual loss of Business Income you sustain and Extra Expense you incur due to the suspension of your “operations” at the described premises during the “period of restoration”. The suspension must be caused by or result from direct physical loss or damage by a Covered Cause of Loss to “property of a utility” not on the described premises.
2. Under Paragraph **H. Property Definitions**, and only for the purposes of this Coverage Extension, the definition of “Period Of Restoration” is deleted and the following definitions are added:

“Period of restoration” means the period of time that: **a. Begins:**

- (1) 12 consecutive hours after the time of direct physical loss or damage to “property of a utility” for loss of Business Income; or
- (2) Immediately after the time of direct physical loss or damage to “property of a utility”, Caused by or resulting from a Covered Cause Of Loss; and

**b. Ends on the earlier of:**

- (1) The date when the “property of a utility” should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

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

“Property of a utility” means property owned or leased by a utility and used to provide the described premises with:

- a. Water supply;
- b. Communication supply; or
- c. Power supply,



services.

“Property of a utility” does not mean property located at the premises of a vendor that provides you with “on-line access” services.

“On-line access” means:

- a. Accessing information available to third parties; or
  - b. Making information available to third parties,  
Via computer or other electronic system.
3. We will not pay for any reduction in business income or extra expense after the relevant utility service(s) has been restored to the described premises.
  4. The most we will pay under this Coverage Extension in any one occurrence at the described premises is the applicable Limit Of Insurance for Utility Services – Business Income And Extra Expense shown in the Schedule of this endorsement.

### III. OTHER ENHANCEMENTS

#### A. Extended Business Income

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverages, f. Business Income**, subparagraph (ii) of (2) **Extended Business Income** is deleted and replaced with the following:

1. Ends on the earlier of the:
  - a. Date you could restore your “operations”, with reasonable speed to the level which would generate the Business Income amount that existed if no direct physical loss or damage had occurred; or
  - b. Number of consecutive days shown in the Schedule of this endorsement, beginning with the date the property, except finished stock, is actually repaired, rebuilt or replaced and “operations” are resumed.

#### B. Green Standards

In **Section I – Property**, Paragraph **E. Property Loss Conditions, 5. Loss Payment**, the following is added:

1. Subject to the applicable Limit Of Insurance, if you repair or replace Covered Property, the valuation will include the necessary and incurred expenses to:
  - a. Hire professionals accredited pursuant to “green standards” to participate in the repair or replacement of Covered Property;
  - b. Register and certify the repaired or replaced Covered Property pursuant to “green standards”;
  - c. Dispose of debris, certified pursuant to “green standards”, at recycling facilities, if such debris can be recycled; and
  - d. Ventilate the repaired or replaced Covered Property in a manner consistent with “green standards”.
2. When direct physical loss or damage is caused by or results from both a Covered Cause Of Loss and an excluded peril, the valuation will not include “green standards” costs attributable to the excluded peril. Instead, the valuation will be based on that portion of such costs equal to the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage, not including “green standards” costs, unless the “green standards” apply solely to that portion of the Covered Property that suffered the covered direct physical loss or damage.
3. This Green Standards Loss Payment provision:

- a. Does not include any increase in costs, loss or damage:
  - (1) To clean up or remove “pollutants” from land, water or air, either inside or outside of a building;
  - (2) To clean up, remove, restore or replace polluted land, water or air either inside or outside of a building; or
  - (3) Attributable to any “green standards” you did not comply with before the loss, regardless of when such “green standards” became effective.
- b. Does not apply to:
  - (1) Loss or damage caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination; or
  - (2) “Stock”.

In **Section I – Property**, Paragraph **H. Definitions**, the following definition is added:

“Green standards” means:

- a. The LEED<sup>R</sup> Green Building Rating System<sup>TM</sup> of the United States Green Building Council;
- b. Requirements of the Green Globes<sup>R</sup> Assessment And Rating System of the Green Building Initiative;
- c. Energy Star<sup>R</sup> qualified requirements; or
- d. Other site development, water savings, energy efficiency, materials or equipment selection and other environmental quality standards for the design and construction of property.

**C. Ordinary Payroll**

In **Section I – Property**, Paragraph **A. Coverage, 5. Additional Coverage, f. Business Income**, subparagraph **(b)** is deleted and replaced with the following:

- 1. We will only pay for:
  - a. The loss of Business Income that you sustain during the “period of restoration” and that occurs within 12 consecutive months after the date of direct physical loss or damage; and
  - b. Ordinary payroll expenses for the number of days shown for Ordinary Payroll in the Schedule of this endorsement, following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.

**D. Removal Of Insurance-To-Value Provision**

In **Section I – Property**, Paragraph **E. Property Loss Conditions, 5. Loss Payment**, subparagraphs **d.**

**(1) (a)** and **d. (1) (b)** are deleted and replaced with the following:

- 1. At replacement cost without deduction for depreciation, subject to the following:
  - a. We will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
    - (1) The Limit of Insurance under **Section I – Property** that applies to the lost or damaged property;
    - (2) The cost to replace, on the same premises, the lost or damaged property with other property;

- (a) Of comparable material and quality; and
  - (b) Used for the same purpose; or
  - (3) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.
2. If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original premises.

#### IV. OTHER PROVISIONS

##### A. Billable Hours (Business Income)

In **Section I – Property, A. Coverage**, Paragraph **5. Additional Coverages, f. Business Income**, subparagraph **(c.)** is deleted and replaced with the following

1. Business Income means:
  - a. Revenue, which you would have earned, based upon:
    - (1) Billable hours;
    - (2) Fees for services; or
    - (3) Other sources,
  - b. Minus:
    - (1) All expenses;
    - (2) Any revenue that can be subsequently recovered or made up; and
    - (3) Revenue you can continue to earn by continuing all or any part of your “operations” during the “period of restoration”, regardless of whether you elect to continue all or part of such “operations”,
  - c. Plus:
    - (1) Your continuing normal operating payroll expenses;
    - (2) Charges you incur which are the legal obligation of your tenant(s) which would otherwise be your obligations; and
    - (3) The cost you are required to pay to rent temporary premises when that portion of the premises described in the Declarations occupied by you is untenable, not to exceed the fair rental value of such untenable portion of the Building you occupy.
2. Business Income does not mean:
  - a. Bank interest or investment income;
  - b. Revenue from any contingent fee arrangement;
  - c. Expenses normally incurred for a client for:
    - (1) Client travel;
    - (2) Client development; or
    - (3) Client entertainment;
  - d. Consideration, other than money, that would have been earned; or
  - e. Revenue that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause Of Loss on customers or on other businesses.

##### B. Business Income And Extra Expense Exclusions

In **Section I – Property**, Paragraph **B. Exclusions, 5. Business Income and Extra Expense Exclusions**, paragraph **a.**, the following is added:

1. We will not pay for:

Business Income Loss or Extra Expense caused by or resulting from direct physical loss or damage to property described in **Section I – Property**, Paragraph **A. Coverage, 2. Property Not Covered**.

**C. Business Income And Extra Expense Sublimit For Medical Imaging Operations** In **Section I – Property**, Paragraph **C. Limits Of Insurance**, the

following is added: The most we will pay for:

1. The actual loss of Business Income you sustain due to the necessary suspension of your “medical imaging operations” caused by direct physical loss or damage to Covered Property at, or within 1,000 feet of, the premises shown in the Declarations caused by or resulting from a Covered Cause of Loss; and
2. Extra Expense you incur that you would not have incurred if there had been no such direct physical loss or damage,

is the Business Income And Extra Expense Sublimit For Medical Imaging Operations shown in the Schedule of this endorsement.

In **Section I – Property**, Paragraph **H. Property Definitions**, the following is added:

“Medical imaging operations” means the creation of visual representations of the interior of a human body for clinical analysis and medical intervention.