Social Services and youth servicing organizations – property coverage extension endorsement

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

CAUSES OF LOSS – SPECIAL FORM

|  |  |
| --- | --- |
| **SUMMARY OF COVERAGES** | **Page No.** |
| **Accounts Receivable** | **21** |
| **Accumulation Of Surface Water** | **20** |
| **Amendment To Property Not Covered** | **3** |
| **Awnings And Canopies – Permanently Attached** | **27** |
| **Computer And Funds Transfer Fraud** | **7** |
| **Computer Virus And Hacking** | **7** |
| **Contractual Penalties** | **24** |
| **Credit Card Invoices** | **9** |
| **Damage To Building From Theft** | **9** |
| **Debris Removal** | **4** |
| **Dependent Property** | **24** |
| **Electronic Data Processing Coverage** | **5** |
| **Emergency Vacating Expense** | **27** |
| **Employee Dishonesty** | **9** |
| **False Pretense** | **22** |
| **Fine Arts, Including Newly Acquired Fine Arts** | **3** |
| **Fire Department Service Charge** | **5** |
| **Fire Extinguisher Systems Expense** | **10** |
| **Forgery Or Alteration** | **10** |
| **Foundations And Underground Pipes** | **27** |
| **Fuel Storage Tanks And Pumps** | **27** |
| **Gas Or Oil Contamination** | **11** |
| **Inventory And Appraisal Expense** | **22** |
| **Leasehold Interest – Undamaged Improvements And Betterments** | **11** |
| **Lessee Changeover – Building** | **12** |

|  |  |
| --- | --- |
| **SUMMARY OF COVERAGES** | **Page No.** |
| **Lock Replacement** | **12** |
| **Mobile Equipment** | **12** |
| **Money And Securities** | **12** |
| **Money Orders And Counterfeit Money** | **13** |
| **Newly Acquired Locations – Business Income (And Extra Expense)** | **19** |
| **Newly Acquired Or Constructed Property – Buildings** | **19** |
| **Newly Acquired Or Constructed Property – Your Business Personal Property** | **19** |
| **Non-owned Detached Trailers** | **21** |
| **Ordinance Or Law – Machinery And Equipment** | **23** |
| **Ordinance Or Law Coverage – Undamaged Portion Of Building, Demolition And Increased Cost Of Construction** | **14** |
| **Outdoor Property** | **20** |
| **Personal Effects And Property Of Others** | **19** |
| **Pollutant Clean-up And Removal At Described Premises** | **5** |
| **Pollutant Clean-up And Removal At Non-owned Premises** | **5** |
| **Premises Boundary** | **3** |
| **Property In The Open** | **15** |
| **Property In Transit** | **15** |
| **Property Of Others You Transport** | **15** |
| **Property Off-premises** | **19** |
| **Resumption Of Operations** | **27** |
| **Reward Payment – Arson, Theft Or Vandalism** | **16** |
| **Spoilage – Includes Breakdown Or Contamination** | **16** |
| **Tank Leakage** | **18** |
| **Theft Of Jewelry, Furs, Stamps And Other Specified Items** | **21** |
| **Trees, Shrubs And Plants (Other Than Stock Or Part Of A Vegetated Roof)** | **23** |
| **Underground Water And Backup Of Sewers And Drains** | **18** |
| **Utility Services – Direct Damage** | **26** |
| **Utility Services – Time Element** | **25** |
| **Valuable Papers And Records (Other Than Electronic Data)** | **18** |
|  |  |
| **Limits Of Insurance** | **28** |
| **Additional Crime Exclusions** | **28** |
| **Additional Conditions** | **29** |
| **Additional Definitions** | **32** |

Throughout this extension endorsement, the words Extension(s) or Coverage Extension(s) or Additional Coverage(s) refer to the additional or broadened coverage provided by this extension endorsement. As used in this extension endorsement: electronic data, “pollutants”, “stock”, and “fungus” shall have the meanings set forth for such terms in the Building and Personal Property Coverage Form; “operations” and “suspension” shall have the meanings set forth for such terms in the Business Income (And Extra Expense) Coverage Form; and “specified cause of loss” shall be defined in accordance with the definition of “specified causes of loss” in the Causes of Loss-Special Form.

I. EXTENSIONS OF COVERAGE

The Following Additional Coverages And Extensions Apply at Each Described Premises Per Occurrence, Except As May Be Noted Below.

A. Premises Boundary Increased to 1,000 Feet

In any of the Extensions of Coverage listed on pages 1 and 2 of this extension endorsement:

1. Any reference to “100 feet of the described premises” is amended to read “1,000 feet of the described premises”;

2. Any reference to “100 feet of the premises described in the Declarations” is amended to read “1,000 feet of the premises described in the Declarations”; and

3. Any reference to “100 feet of such premises” is amended to read “1,000 feet of such premises”;

except where otherwise noted.

B. Fine Arts, Including Newly Acquired Fine Arts

Under the Building And Personal Property Coverage Form, you may extend Paragraph **5.** **Coverage Extensions** of the **Coverage** section to apply to “fine arts” at the described premises, including newly acquired “fine arts”, whether owned by you or others, and in your care, custody or control.

1. Coverage for newly acquired “fine arts” will end when any of the following first occurs:

a. The policy expires;

b. 30 days after you acquire the “fine arts”; or

c. You report values to us.

2. We will charge you additional premium for values reported from the date you acquire the “fine arts”.

3. We will determine the value of “fine arts” under this Extension, in the event of loss or damage, at its market value at the time of loss or damage.

4. Our payment for loss or damage to “fine arts” of others will only be for the account of the owner of the “fine arts”.

5. As a condition of coverage, you agree that if “fine arts” are to be moved, whether on or off the described premises, and such move requires packing and/or unpacking, the packing and/or unpacking will be done by competent persons trained in packing and/or unpacking of “fine arts”.

6. This Extension does not include “fine arts” in transit or in the open.

The most we will pay for loss or damage to “fine arts” under this Extension at each described premises is the Fine Arts Limit of Insurance indicated in the Supplemental Schedule. For newly acquired “fine arts”, the most we will pay is the Fine Arts - Newly Acquired Locations Limit of Insurance indicated in the Supplemental Schedule.

C. Amendment To Property Not Covered

Under the Building And Personal Property Coverage Form, Paragraphs **2.g.**, **2.l.**, **2.m.** and **2.q.** of Paragraph **2. Property Not Covered** of the **Coverage** section are deleted and replaced by the following:

g. Foundations of buildings, supports, structures, machinery or boilers if their foundations are below:

(1) The lowest basement floor; or

(2) The surface of the ground, if there is no basement, except as provided in the Foundations And Underground Pipes Coverage Extension, the Fuel Storage Tanks And Pumps Coverage Extension and the Ordinance Or Law Coverage Extension, as may be applicable;

l. Retaining walls that are not part of a building, except to the extent coverage is provided under the Outdoor Property Coverage Extension;

m. Underground pipes, flues or drains, except as provided in the Foundations And Underground Pipes Coverage Extension, the Fuel Storage Tanks And Pumps Coverage Extension and the Ordinance Or Law Coverage Extension, as may be applicable;

q. The following property while outside of buildings:

(1) Grain, hay, straw or other crops;

(2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants, which are “stock” or are part of a vegetated roof), all except as provided in the Additional Coverages or Coverage Extensions.

D. Debris Removal

Under the Building And Personal Property Coverage Form, Paragraphs **4.a.(1)** through **4.a.(4)** of the Debris Removal Additional Coverage under the **Coverage** section are deleted and replaced by the following:

(1) Covered Property

(a) Subject to Paragraphs (1)(b) and (1)(c), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period.

(b) Subject to the exceptions in Paragraph (1)(c), the following provisions apply:

(i) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(ii) Subject to Paragraph (b)(i) above, the amount we will pay for debris removal expense is limited to 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.

(c) We will pay up to the additional Limit of Insurance indicated in the Supplemental Schedule for Debris Removal – Covered Property, for each described premises, in any one “occurrence” of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(i) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(ii) 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.

Therefore, if Paragraph **(c)(i)** and/or **(c)(ii)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance applicable to the Covered Property that has sustained loss or damage, plus the limit indicated in the Supplemental Schedule for Debris Removal – Covered Property.

(2) Other Than Covered Property

We will pay your expense, up to the Limit of Insurance indicated in the Supplemental Schedule for Debris Removal – Other Than Covered Property, for any one “occurrence”, to remove debris of other than Covered Property from described premises caused by a Covered Cause of Loss that occurs during the policy period.

(3) Debris Removal does not apply to costs to:

(a) Extract “pollutants” from land or water; or

(b) Remove, restore or replace polluted land or water.

(4) Debris removal expenses will be paid only if such expenses are reported to us in writing within 180 days of the date of direct physical loss or damage from which such expenses arose.

For purposes of the Examples provided under Paragraph **(5)** of the Debris Removal Additional Coverage provided in the Building And Personal Property Coverage Form, the reference to $10,000, wherever it appears in the Examples, is amended to read $25,000, assuming this is the Limit of Insurance for Debris Removal shown in the Supplemental Schedule.

E. Fire Department Service Charge

Under the Building And Personal Property Coverage Form, the Fire Department Service Charge Additional Coverage, Paragraph **4.c.** of the **Coverage** section, is amended to provide a limit at each described premises shown in the Declarations equal to the maximum Limit of Insurance for Fire Department Service Charge indicated in the Supplemental Schedule.

F. Pollutant Clean-up And Removal At Described Premises

Under the Building And Personal Property Coverage Form, the Pollutant Clean-up And Removal Additional Coverage, Paragraph **4.d.** of the **Coverage** sectionis revised as follows:

1. The reference to $10,000 as the most we will pay for each described premises is deleted and replaced with Paragraph 3. below. The coverage applicable to each described premises is revised to read Pollutant Clean-up And Removal At Described Premises.

2. For purposes of this extension endorsement, this Additional Coverage is extended to include pollutant clean-up and removal at non-owned premises as follows:

**Pollutant Clean-up And Removal At Non-owned Premises**

We will pay your expense to extract “pollutants” from land or water at premises not owned, leased or rented to you if the discharge, dispersal, seepage, migration or release of the “pollutants” is caused by or results from a Covered Cause of Loss to an above ground tank owned by you and leased or loaned to someone else for storage of a liquid product at a premises you do not own, lease or rent.

The expenses will be paid, provided that:

a. The discharge, dispersal, seepage, migration or release of the “pollutants” is demonstrable as beginning and ending within 72 hours of the above-referenced Covered Cause of Loss; and

b. The discharge, dispersal, seepage, migration or release of the “pollutants” is reported to us within 120 hours from the time of the above-referenced Covered Cause of Loss.

This Additional Coverage does not apply to costs 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 extracting the “pollutants” from the land or water.

This Additional Coverage is subject to the Limit of Insurance described under Paragraph **3.** below.

3. The most we will pay under this Additional Coverage is the Each Premises Limit shown in the Supplemental Schedule for Pollutant Clean-up And Removal At Described and Non-owned Premises. However, the most we will pay for all such loss at all locations is the Combined Annual Aggregate Limit of Insurance indicated for Pollutant Clean-up And Removal At Described Premises And Non-owned Premises indicated in the Supplemental Schedule.

This Additional Coverage is subject to the deductible that applies to other property under the policy.

G. Electronic Data Processing Coverage

1. Under the Building And Personal Property Coverage Form, the Additional Coverage for Electronic Data set forth in Paragraph 4.f. of the Coverage section is extended to include coverage for electronic data processing equipment subject to the following:

a. Under this Additional Coverage, electronic data processing equipment means any computer equipment owned by you and similar equipment of others in your care, custody or control. Computer equipment leased to others is excluded, regardless of the location of the computer equipment.

b. We will pay, under this Additional Coverage, for direct physical loss of or damage to electronic data processing equipment at the premises described in the Declarations caused by any Covered Cause of Loss, except as otherwise excluded. This coverage includes laptops, electronic data processing equipment in transit and off-premises exposures.

This does not include equipment held for sale or distribution and in the course of manufacture.

c. This Additional Coverage does not apply to electronic data processing equipment that is covered under another Coverage Extension within this extension endorsement.

d. This Additional Coverage is subject to Paragraph 4.f.(3)(d) of the Coverage section of the Building And Personal Property Coverage Form.

e. Coverage is subject to the Causes Of Loss – Special Form with the following exceptions:

(1) Exclusion B.2.a. is deleted. However, off-premises disturbances at least 1,000 feet from the described premises continue to be excluded.

(2) Exclusions B.2.d.(7)(a) and B.2.d.(7)(b) are deleted, but only if such dampness or dryness of atmosphere, or changes in or extremes of temperature result from physical damage caused by a Covered Cause of Loss to an air conditioning unit or system, including equipment and parts that are part of or used with electronic data processing equipment.

(3) This Additional Coverage does not apply to:

(a) Computer-related losses due to the failure, malfunction or inadequacy of:

(i) Electronic data processing equipment, electronic data, computer operating systems and data, computer networks, microprocessors and any other computerized or electronic data processing equipment or components; or

(ii) Any products, services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (i) above, due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times; or

(b) Any computer advice, consultation, design, evaluation, inspection, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in the computer-related losses exclusion in Paragraph (a) above.

(c) Furthermore, additional Exclusion B.5. of the Causes Of Loss – Special Form is extended to also exclude errors or omissions in processing, recording or storing information on electronic data or electronic data processing equipment. However, if fire or explosion results from the aforementioned errors or omissions, we will pay for the loss or damage caused by that fire or explosion.

If an excluded Cause of Loss as described under the exclusions for electrical disturbances, computer-related losses or computer advice or consultation, as described above, results in a “specified cause of loss”, or in an elevator collision resulting from mechanical breakdown, we will pay for the loss or damage caused by such “specified cause of loss” or elevator collision. We will not pay for repair, replacement or modification of any items referenced in the computer-related losses exclusion above, for purposes of correcting any deficiencies or changing any features.

f. Electronic data processing equipment is subject to the deductible applicable to “other property”, unless a higher deductible is provided in the Declarations.

g. We will determine the value of electronic data processing equipment at the cost to replace the damaged equipment.

2. The $2,500 Limit of Insurance in Paragraph A.5.d.(4) of the Business Income (and Extra Expense) Coverage Form (applicable to Interruption of Computer Operations) and the $2,500 Limit of Insurance in Paragraph A.4.f.(4) of the Building and Personal Property Coverage Form (applicable to electronic data) are deleted and replaced with Paragraph 3. below:

3. The most we will pay for all loss or damage to electronic data processing equipment, electronic data and Business Income (and Extra Expense) loss (applicable to Interruption of Computer Operations) arising out of any such loss or damage is the Limit of Insurance indicated under Electronic Data Processing Coverage in the Supplemental Schedule for Equipment, Data and Business Income (and Extra Expense) loss as respects Interruption of Computer Operations.

4. This Extension does not apply to:

a. Electronic data that is integrated in and operates or controls a building’s elevator, lighting, heating, ventilation, air conditioning or security system. Coverage for such electronic data will be considered part of the coverage applicable to the building.

b. Your “stock” of prepackaged software. Coverage for pre-packaged software is subject to the Limit of Insurance otherwise applicable to such personal property.

H. Computer Virus And Hacking

1. Paragraph A.4.f.(3)(d) of the Additional Coverage Electronic Data provision in the Building And Personal Property Coverage Form and Paragraph A.5.d.(3)(d) of the Business Income (And Extra Expense) Coverage Form are deleted and replaced by the following:

(d) The Covered Causes of Loss include:

(i) A 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 system or disrupt its normal operation.

(ii) “Computer hacking” which causes direct physical loss to your “computer system” (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system, disrupt its normal operation or scan or copy information contained in your electronic data.

As used in this extension, “computer hacking” means an unauthorized intrusion into the insured’s “computer system” (including electronic data) or a network to which it is connected.

But there is no coverage for any of the aforementioned loss or damage caused by or resulting from manipulation of a “computer system” (including electronic data) or a network to which it is connected, by any “employee”, including a temporary or leased “employee”, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

In addition, there is no coverage for non-physical economic losses or denial of access to your “computer system” or network.

2. The $2,500 Limit of Insurance in Paragraph A.5.d.(4) of the Business Income (and Extra Expense) Coverage Form (applicable to Interruption of Computer Operations) and the $2,500 Limit of Insurance in Paragraph A.4.f.(4) of the Building and Personal Property Coverage Form (applicable to electronic data) are deleted and replaced with Paragraph 3. below:

3. The most we will pay for all loss or damage to electronic data processing equipment, electronic data and Business Income (and Extra Expense) loss (applicable to Interruption of Computer Operations) arising out of computer virus or hacking is subject to the Limit of Insurance indicated under Electronic Data Processing Coverage in the Supplemental Schedule for Equipment, Data and Business Income (and Extra Expense) loss as respects Interruption of Computer Operations.

I. Computer And Funds Transfer Fraud

1. We will pay for:

a. Loss resulting directly from a fraudulent:

(1) Entry of electronic data or “computer program” into; or

(2) Change of electronic data or “computer program” within;

any “computer system” owned, leased or operated by you, provided the fraudulent entry or fraudulent change causes, with regard to the Paragraphs **1.a.(1)** and **1.a.(2)** above:

(a) “Money”, “securities” or “other property” to be transferred, paid or delivered; or

(b) Your account at a “financial institution” to be debited or deleted.

b. Loss resulting directly from a “fraudulent instruction” directing a “financial institution” or “employee” to debit your “transfer account” and transfer, pay or deliver “money” or “securities” from that account.

2. As used in Paragraph 1.a. above, fraudulent entry or fraudulent change of electronic data or “computer program” shall include such entry or change made by an “employee” acting in good faith, upon a “fraudulent instruction” received from a computer software contractor who has a written agreement with you to design, implement or service “computer programs” for a “computer system” covered under this Extension.

Except as provided above, this Extension does not cover such loss caused by a person or organization with authorized access to that “computer system”.

3. Under the Causes Of Loss – Special Form, the following is added to Section B. Exclusions:

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

a. Loss resulting from a fraudulent:

(1) Entry of electronic data or “computer program” into; or

(2) Change of electronic data or “computer program” within;

Any “computer system” owned, leased or operated by you, by a person or organization with authorized access to that “computer system”, except when covered under Paragraph **I.2.** above;

b. The use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards;

c. Loss resulting from the giving or surrendering of property in any exchange or purchase;

d. Loss resulting from an “employee” or “financial institution” acting upon any instruction to transfer, pay or deliver “money”, “securities” or “other property”; or debit or delete your account; which instruction proves to be fraudulent, except when covered under Paragraphs I.1.b. and I.2. above;

e. Inventory shortages or that part of any such shortage, the proof of which as to its existence or amount is dependent upon:

(1) An inventory computation; or

(2) A profit and loss computation; or

f. Any cause of loss that is excluded pursuant to the exclusions set forth in Paragraph III. Additional Crime Exclusions of this extension endorsement.

4. In addition to the conditions set forth in Paragraph IV. Additional Conditions of this extension endorsement, the following additional condition is added under the Loss Conditions section of the Building And Personal Property Coverage Form to apply to this Coverage Extension:

The following special limit of insurance applies to the property specified below:

We will only pay up to $5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

5. Other than with respect to the property specified in Paragraph I.4. above, the most we will pay under this Coverage Extension for loss or damage in any one “occurrence” is the Limit of Insurance indicated in the Supplemental Schedule for Computer And Funds Transfer Fraud.

However, if you have other insurance covering the Computer And Funds Transfer Fraud loss we cover under this extension endorsement, we will pay only for the amount of covered loss in excess of the amount due from that other insurance, whether you can collect it or not. But we will not pay more than the Computer And Funds Transfer Fraud Limit of Insurance shown in the Supplemental Schedule.

All loss or damage under this Extension caused by one or more persons or involving a single act or series of acts is considered one “occurrence”.

If any loss is covered:

a. Partly by this Coverage Extension; and

b. Partly by any prior cancelled or terminated insurance that we or any of our affiliates had issued to you or to any of your predecessors in interest,

the most we will pay is the larger of the amount recoverable under this Coverage Extension or the prior insurance.

We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period applicable to this Coverage Extension. Regardless of the number of years this Coverage Extension remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

J. Credit Card Invoices

Under the Building And Personal Property Coverage Form, Your Business Personal Property is extended to apply to credit card invoices, which will be considered tangible property, that are lost, damaged or destroyed due to a Covered Cause of Loss while en route between your premises and your banking institution for receipt and recording.

We will pay the amount you would have been entitled to receive under the invoices had the invoices not been lost, damaged or destroyed.

The most we will pay under this Additional Coverage for the amount of loss you sustain due to lost, damaged or destroyed credit card invoices as a result of a Covered Cause of Loss is the Credit Card Invoices Limit of Insurance indicated in the Supplemental Schedule.

K. Damage To Building From Theft

If loss or damage caused by “theft” or attempted “theft” occurs to buildings you occupy, but do not own, at a described premises, we will also pay the amount you are legally liable to pay for such loss or damage. However, if the building has been vacant for more than 60 consecutive days before the loss or damage occurs, we will not pay for any loss or damage caused by “theft” or attempted “theft”.

The most we will pay under this Additional Coverage in any one “occurrence” is the Limit of Insurance indicated in the Supplemental Schedule for Damage To Building From Theft.

L. Employee Dishonesty

1. Under this Coverage Extension, you may extend the insurance that applies to Your Business Personal Property under the Building And Personal Property Coverage Form, to pay for direct loss of or damage to "money" and "securities" and “other property” resulting directly from “theft” committed by any of your “employees” acting alone or in collusion with other persons (except you, your partners or “members”) with the manifest intent to:

a. Cause you to sustain loss or damage; and

b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other “employee” benefits earned in the normal course of employment) for:

(1) Any “employee”; or

(2) Any other person or organization.

2. Under the Causes Of Loss – Special Form:

a. Paragraph B.2.h. of the Exclusions does not apply to this Employee Dishonesty Additional Coverage.

b. The following is added to the Exclusions section with respect to the coverage provided under this Additional Coverage:

We will not pay for loss or damage:

(1) Where the only proof of which as to its existence or amount is:

(a) An inventory computation; or

(b) A profit and loss computation;

(2) Resulting from trading, whether in your name or in a genuine or fictitious account;

(3) Resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel a warehouse receipt or any papers connected with it; or

(4) That is excluded pursuant to the exclusions set forth in Paragraph III. Additional Crime Exclusions of this extension endorsement.

3. The most we will pay under this Additional Coverage for loss or damage in any one “occurrence” is the Limit of Insurance indicated in the Supplemental Schedule for Employee Dishonesty.

However, if you have other insurance covering the Employee Dishonesty loss we cover under this extension endorsement, we will pay only for the amount of covered loss in excess of the amount due from that other insurance, whether you can collect it or not. But we will not pay more than the Employee Dishonesty Limit of Insurance shown in the Supplemental Schedule.

4. All loss or damage under this Additional Coverage caused by one or more persons or involving a single act or series of acts is considered one “occurrence”.

5. If any loss is covered:

a. Partly by this Additional Coverage; and

b. Partly by any prior cancelled or terminated insurance that we or any of our affiliates had issued to you or to any of your predecessors in interest;

the most we will pay is the larger of the amount recoverable under this Additional Coverage or the prior insurance.

We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period applicable to this Additional Coverage. Regardless of the number of years this Additional Coverage remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

6. In addition to the conditions set forth in Paragraph IV. Additional Conditions of this extension endorsement, the following additional condition is added under the Loss Conditions section of the Building And Personal Property Coverage Form to apply to this Additional Coverage:

This Additional Coverage is cancelled as to any “employee” immediately upon discovery by:

a. You; or

b. Any of your partners, "members", "managers", officers or directors not in collusion with the “employee”;

of any dishonest act committed by that “employee” before or after being hired by you.

A $1,000 deductible applies to this Additional Coverage.

M. Fire Extinguisher Systems Expense

We will pay the cost to recharge, refill or replace, whichever is less, your fire extinguishers and fire extinguishing systems including hydrostatic testing (if needed) if such extinguishers or systems are discharged on or within 1,000 feet of the described premises. This coverage applies to your fire extinguishing systems that are permanently installed in buildings at the described premises. Coverage applies only when such devices have been discharged while being used to protect Covered Property from loss or damage caused by fire.

This Additional Coverage does not apply if:

1. The fire extinguishing system is discharged during installation or testing; or

2. The described premises is or has a restaurant or open cooking and/or deep fat frying exposure, and the fire extinguishing system is not in compliance with NFPA Standard 96 and/or UL 300.

The most we will pay under this Additional Coverage is the Limit of Insurance indicated in the Supplemental Schedule for Fire Extinguisher Systems Expense.

No deductible applies to this Additional Coverage.

N. Forgery Or Alteration

1. We will pay for loss resulting directly from "forgery" or alteration of checks, 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;

b. Made or drawn by one acting as your agent; or

that are purported to have been so made or drawn.

For the purposes of this Additional Coverage, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

2. If you are sued for refusing to pay any instrument covered in Paragraph N.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. The amount that we will pay is included in the Limit of Insurance applicable to this Additional Coverage.

3. The most we will pay for all loss resulting directly from an "occurrence" is the applicable Forgery Or Alteration Limit of Insurance indicated in the Supplemental Schedule.

4. We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Forgery Or Alteration Limit of Insurance indicated in the Supplemental Schedule.

5. In addition to the conditions set forth in Paragraph IV. Additional Conditions, the following additional conditions are added under the Loss Conditions section of the Building And Personal Property Coverage Form to apply to this Additional Coverage:

a. The Deductible Amount does not apply to legal expenses paid;

b. We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures; and

c. You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

6. The exclusions applicable to this Additional Coverage Extension are set forth in Paragraph III. Additional Crime Exclusions of this extension endorsement.

O. Gas Or Oil Contamination

We will pay for contamination of your liquid petroleum products at the described premises caused by surface water run-off. Exclusion **B.1.g.1.** of the Causes of Loss – Special Form does not apply with respect to run-off of surface water.

P. Leasehold Interest – Undamaged Improvements And Betterments

Under this Additional Coverage, we will pay for loss of “Covered Leasehold Interest” you sustain due to cancellation of your lease by the lessor. The cancellation must result from direct physical loss of or damage to property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. The following additional conditions must apply:

a. The lease cancellation is supported by a valid condition of your lease;

b. You have at least six months remaining in your lease; and

c. At least 25% of the building is damaged or at least six months is required to repair the building for your occupancy.

2. We will not pay under this Additional Coverage, if the premises where the lease is cancelled has been vacant for more than 60 consecutive days prior to the loss or damage.

3. “Covered Leasehold Interest” means the following for each lease of real property in which you are the tenant:

a. The unamortized portion of the amount paid by you for improvements and betterments. It does not include the value of improvements and betterments recoverable under any other insurance, but only to the extent of such other insurance; and

b. Improvements and betterments are fixtures, alterations, installations or additions:

(1) Made a part of the building or structure you occupy, but do not own; and

(2) You acquired or made at your expense, but can legally remove.

The most we will pay under this Additional Coverage in any one “occurrence” is the Leasehold Interest – Undamaged Improvements And Betterments Limit of Insurance indicated in the Supplemental Schedule.

Q. Lessee Changeover – Building

Under the Building And Personal Property Coverage Form, you may extend coverage to include locations where ownership or responsibility for maintaining insurance on the building is the insured’s responsibility, as required by the lease. Coverage will end when any of the following first occurs:

1. The policy expires;

2. 30 days after you last conducted business operations at the leased premises; or

3. You report values to us.

The most we will pay under this Additional Coverage for loss in any one “occurrence” is the Lessee Changeover – Building Limit of Insurance indicated in the Supplemental Schedule.

R. Lock Replacement

Under this Additional Coverage, we will pay for consequential loss to repair locks or to replace locks and “keys”, if a master or grand master “key” is lost or damaged due to a Covered Cause of Loss at a described premises.

We will pay for the following:

1. The actual cost of “keys”; or

2. Adjustment of locks to accept new “keys”; or

3. If required, new locks including the cost of their installation.

The most we will pay under this Additional Coverage for loss or damage in any one “occurrence” is the Lock Replacement Limit of Insurance indicated in the Supplemental Schedule.

S. Mobile Equipment

We will pay for direct physical loss or damage to your owned or rented mobile equipment, including forklifts, lawn movers, electric carts, tractors and similar vehicles.

This Additional Coverage does not apply to mobile equipment licensed for use on public roads or insured elsewhere.

The most we will pay under this Additional Coverage for loss or damage in any one “occurrence” is the Limit of Insurance for Mobile Equipment indicated in the Supplemental Schedule.

T. Money And Securities

1. Under this Additional Coverage you may extend the insurance that applies to Your Business Personal Property under the Building And Personal Property Coverage Form to pay for loss of your "money" and "securities" while inside the” premises” or “financial institution premises”, within your living quarters or the living quarters of your partners or any “employee” having use and custody of your property, at the described “premises”, or in transit between any of these places, resulting directly from:

a. “Theft” committed by someone present inside such “premises” or “financial institution premises” other than you, your managers, partners, “members”, officers, directors or “employees”;

b. Disappearance; or

c. Destruction.

2. Under the Causes Of Loss – Special Form, Paragraph C.1.e. is deleted and replaced by:

Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Additional Coverage for Money And Securities.

3. In addition to the exclusions and limitations set forth in the Exclusions section and the Limitations section applicable to the Causes Of Loss – Special Form, we will not pay for the loss of “money” or “securities” under this Additional Coverage:

a. Resulting from accounting or arithmetical errors or omissions;

b. Due to the giving or surrendering of property in any exchange or purchase;

c. After it has been transferred or surrendered to a person or place outside the "premises" or “financial institution premises” on the basis of unauthorized instructions or as a result of any threat;

d. Contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device; or

e. That is excluded pursuant to the exclusions set forth in Paragraph III. Additional Crime Exclusions of this extension endorsement

4. The most we will pay under this Additional Coverage for loss of “money” and/or “securities” in any one “occurrence” is:

a. The Money And Securities – Inside The Premises Limit of Insurance indicated in the Supplemental Schedule while:

(1) Inside the described “premises”; or

(2) At a “financial institution premises”.

b. The Money And Securities – Outside The Premises Limit of Insurance indicated in the Supplemental Schedule while anywhere else.

However, if you have other insurance covering the Money And Securities loss we cover under this extension endorsement, we will pay only for the amount of covered loss in excess of the amount due from that other insurance, whether you can collect it or not. But, we will not pay more than the applicable Money And Securities Limit of Insurance shown in the Supplemental Schedule.

All loss caused by one or more persons or involving a single act or series of related acts is considered one “occurrence”.

5. In addition to the conditions set forth in Paragraph IV. Additional Conditions of this extension endorsement, the following additional condition is added under Paragraph E. Loss Conditions of the Building And Personal Property Coverage Form to apply to this Additional Coverage:

a. Paragraph 7. Valuation is amended to add the following condition:

The value of any loss for purposes of coverage under the Additional Coverage for Money and Securities shall be determined as follows:

(1) "Money" at its face value; and

(2) "Securities" at their value at the close of business on the day the loss is discovered.

b. We will only pay up to $5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

c. The coverage provided under this Additional Coverage for Money And Securities – Outside The Premises does not apply to precious metals.

A $1,000 deductible applies to this Additional Coverage.

U. Money Orders And Counterfeit Money

We will pay for loss resulting from your having accepted the following, in good faith, in exchange for merchandise, “money” or services:

1. Money orders issued by any post office, express company or bank that are not paid upon presentation; or

2. “Counterfeit money” that is acquired during the regular course of business.

The most we will pay under this Additional Coverage for loss from money orders and “counterfeit money” in any one “occurrence” is the Limit of Insurance for Money Orders And Counterfeit Money indicated in the Supplemental Schedule.

V. Ordinance Or Law Coverage

1. Increased Cost Of Construction

Under this Additional Coverage, the $10,000 and 5% alternative limits, wherever shown in Paragraph **A.4.e.(6)** of the Building And Personal Property Coverage Form and applicable to each described building are deleted and replaced by the Limit of Insurance indicated for Ordinance Or Law – Demolition Cost And Increased Cost of Construction in the Supplemental Schedule.

2. You may also extend the insurance that applies to buildings described in the Declarations (for which the Replacement Cost Optional Coverage applies) to include the Ordinance Or Law coverages set forth below in Paragraphs V.3. and V.4., provided the ordinance or law:

a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises;

b. Is in force at the time of loss; and

c. The building sustains direct physical damage that is covered under the policy and as a result of such damage you are required to comply with the ordinance or law.

3. Coverage For Loss To The 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 a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

This coverage is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. This coverage does not increase the Limit of Insurance.

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 being repaired or replaced on the same or another premises, we will not pay more than the lesser of:

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

b. 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 at the time of loss; or

(2) The Limit of Insurance shown in the Declarations (or schedule of insured locations) as applicable to the covered building.

4. Demolition Cost Coverage

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

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

a. The amount you actually spend to demolish and clear the site of the described premises; or

b. The applicable Limit of Insurance for Ordinance Or Law – Demolition Cost And Increased Cost Of Construction indicated in the Supplemental Schedule.

5. We will not pay under the Demolition Cost Coverage or Coverage For Loss To The Undamaged Portion Of The Building for loss or damage arising out of:

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

b. 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", "fungus", wet or dry rot or bacteria.

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

7. Under this Additional Coverage, we will not pay for loss due to any ordinance or law that:

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

b. You failed to comply with.

8. The coverage provided under this Additional Coverage does not increase the “Period of Restoration” or otherwise increase or enlarge your coverage under the Business Income (And Extra Expense) Coverage Form, or any other Coverage Forms issued by us.

.

W. Property In The Open

Under the Building And Personal Property Coverage Form, you may extend Your Business Personal Property to include coverage for property in the open beyond 1,000 feet of the described premises.

We will pay for loss or damage to property in the open only if:

1. Prior to loss, you submit to us a schedule describing the property in the open, describing the premises and stating the value of the property; and

2. Such loss or damage is caused by a “specified cause(s) of loss”.

The most we will pay under this Additional Coverage for any one “occurrence” is the Limit of Insurance for Property In The Open indicated in the Supplemental Schedule, even if the value of the property exceeds that amount.

X. Property In Transit

The following changes apply to Paragraph **1. Property In Transit** of the **Additional Coverage Extensions** section under the Causes of Loss – Special Form:

1. Paragraph 1.a. is deleted and replaced by the following:

a. You may extend the insurance provided under the Causes Of Loss – Special Form to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate or in or on a vehicle of a third party carrier that you hire to transport your goods while between points in the coverage territory.

2. Paragraph 1.b.(2) is deleted and replaced by the following:

(2) Vehicle “collision”, upset or overturn. “Collision” means accidental contact of your vehicle, or a vehicle of a third party carrier that you hire to transport your goods, with another vehicle or object. It does not mean your vehicle’s, or the third party carrier vehicle’s, contact with the roadbed.

3. The $5,000 Limit of Insurance under Paragraph 1.c. is deleted and replaced by the Limit of Insurance for Property In Transit indicated in the Supplemental Schedule.

However, if you have other insurance covering a Property In Transit loss we cover under this extension endorsement, we will pay only for the amount of covered loss in excess of the amount due from that other insurance, whether you can collect it or not. And we will not pay more than the $5,000 Limit of Insurance provided under Paragraph **1.c. Property In Transit** of the **Additional Coverage Extensions** section under the Causes of Loss – Special Form.

A $1,000 deductible applies to this Extension.

Y. Property Of Others You Transport

1. You may extend the insurance that applies to your personal property to apply to property of others transported by you (other than property in the care, custody or control of your salespersons) while in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease, hire or operate while between points in the coverage territory.

2. Loss or damage must be caused by or result from one of the following causes of loss:

a. Fire, lightning, explosion, windstorm or hail, riot or civil commotion or vandalism;

b. Vehicle “collision”, upset or overturn; or

c. “Theft” of property in transit by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

For purposes of this Additional Coverage, “collision” means accidental contact of your vehicle, or a vehicle of a third party carrier that you hire to transport property of others, with another vehicle or object. It does not mean your vehicle’s, or the third party carrier vehicle’s, contact with the roadbed.

The most we will pay under this Additional Coverage in any one “occurrence” is the Property Of Others You Transport Limit of Insurance indicated in the Supplemental Schedule.

Z. Reward Payment – Arson, Theft Or Vandalism

Under this Additional Coverage, we will reimburse you for a “reward” paid for information that leads to an arrest and conviction of any person for arson, “theft” or vandalism. The arrest and conviction must involve a Covered Cause of Loss to Covered Property caused by arson, “theft” or vandalism. The amount we pay is not increased by the number of persons involved in providing information.

The following additional conditions apply:

1. An “eligible person” means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:

a. You;

b. Your “employee”;

c. Any person employed by a law enforcement agency or a business engaged in property protection;

d. Any person who had custody of the Covered Property at the time the “theft” was committed; or

e. Any person involved in the crime.

2. No “reward” will be reimbursed unless and until the person(s) committing the crime is (are) convicted, or the Covered Property is returned to you.

3. You must have issued public notice of a “reward” prior to the first person volunteering the information or returning the stolen Covered Property.

The most we will pay under this Additional Coverage in any one “occurrence” is the lesser of the amount of the “reward” paid or the Limit of Insurance indicated in the Supplemental Schedule for Reward Payment-Arson, Theft Or Vandalism. Such amount is additional insurance. No deductible applies to this Additional Coverage.

AA. Spoilage – Includes Breakdown Or Contamination

1. Under the Building And Personal Property Coverage Form, coverage is extended as follows to apply to loss or damage to your “perishable stock” caused by or resulting from the “Breakdown Or Contamination” cause of loss described below:

a. For purposes of this Additional Coverage, Paragraph A.1.b.(3) of Covered Property is amended to include (in addition to “Stock”) “perishable stock” at the described premises owned by you or by others that is in your care, custody or control.

b. Property located on buildings or in the open or in vehicles is considered to be Property Not Covered.

c. With respect to the coverage provided under this Additional Coverage, Paragraph F. Additional Conditions is amended by the addition of the following:

The following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions:

**Refrigeration Maintenance Agreements**

With respect to the “Breakdown Or Contamination” cause of loss, the following condition applies:

You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us, the insurance provided by this extension endorsement will be automatically suspended at the involved location.

d. The following is added to the Definitions section:

"Perishable stock" means personal property:

a. Maintained under controlled conditions for its preservation; and

b. Susceptible to loss or damage if the controlled conditions change.

e. As used in this Additional Coverage:

(1) “Breakdown Or Contamination” means:

(a) 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; and

(b) Contamination by the refrigerant.

This Additional Coverage does not apply to loss or damage that results from breakdown of refrigeration equipment while property is in transit, as it may apply under the Property in Transit Additional Coverage.

This Additional Coverage does not apply to power outage, which means change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

2. Under the Causes Of Loss – Special Form, the following applies:

a. The Additional Coverage Extensions section is extended to apply the “Breakdown Or Contamination” cause of loss to loss or damage to “perishable stock” covered under this Spoilage Additional Coverage.

b. The following is added to the Exclusions section:

We will not pay for loss or damage to “perishable stock” caused by or resulting from:

(1) The disconnection of any refrigerating, cooling or humidity control system from the source of power;

(2) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

(3) Power outages, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control;

(4) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:

(a) Lack of fuel; or

(b) Governmental order;

(5) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; or

(6) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

3. The most we will pay for all direct physical loss or damage to “perishable stock” is the Spoilage – Includes Breakdown Or Contamination Limit of Insurance indicated in the Supplemental Schedule.

However, if you have other insurance covering the Spoilage loss that we cover under this extension endorsement, we will pay only for the amount of covered loss in excess of the amount due from that other insurance, whether you can collect it or not. But, we will not pay more than the applicable Spoilage – Includes Breakdown Or Contamination Limit of Insurance indicated in the Supplemental Schedule.

This Additional Coverage does not increase the Limit of Insurance under the policy.

4. The coverage provided under this Spoilage - Includes Breakdown Or Contamination Additional Coverage does not increase the actual loss of Business Income (And Extra Expense) you sustain during the “period of restoration” under the Utility Services Additional Coverage(s).

BB. Tank Leakage

The following provision is added to the **Limitations** section of the Causes Of Loss – Special Form:

We will pay for the loss of liquids from above ground tanks caused by or resulting from the sudden breakage, failure or malfunction of the tank or its apparatus. We will not pay for loss of liquids from above ground tanks due to repeated leakage or seepage, or for any inventory shortage.

The most we will pay for this Additional Coverage for loss or damage of liquids occurring during each separate 12-month period of this policy is the Tank Leakage Limit of Insurance indicated in the Supplemental Schedule.

CC. Underground Water And Backup Of Sewers And Drains

1. We will pay for direct physical loss or damage to Covered Property caused by or resulting from water or waterborne material:

a. That backs up or overflows or is otherwise discharged from a sewer or drain located on a described premises;

b. That overflows from a sump located at a described premises, even if the overflow results from mechanical breakdown of a sump pump or its appurtenant equipment. However, we will not pay the cost of repairing or replacing a sump pump or its appurtenant equipment in the event of mechanical breakdown; and

c. Water under the ground surface pressing on, or flowing or seeping through:

(1) Foundations, walls, floors or paved surfaces; or

(2) Basements.

2. This Additional Coverage does not apply to loss or damage resulting from the routine maintenance or repair:

a. Of sump pumps and their appurtenant equipment; or

b. To keep sewers and drains free from obstructions.

3. This limited coverage for water that backs up or overflows or is otherwise discharged from sewers or drains does not constitute a Covered Cause of Loss under the Business Income (And Extra Expense) Coverage Form, or any other Coverage Forms issued by us.

4. Except as provided under this Additional Coverage, the Water Exclusion under Paragraph B.1.g. of the Causes Of Loss – Special Form continues to apply.

5. The most we will pay under this Additional Coverage for loss or damage in any one “occurrence” is the Limit of Insurance for Underground Water And Backup Of Sewers And Drains indicated in the Supplemental Schedule.

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

1. Under the Building And Personal Property Coverage Form, the $2,500 Limit of Insurance in Paragraph A.5.c.(4) of the Valuable Papers And Records (Other Than Electronic Data)-(Described Premises) Coverage Extension is deleted and replaced by the Limit of Insurance indicated for Valuable Papers And Records (Other Than Electronic Data) in the Supplemental Schedule.

2. Under this Extension, “valuable papers and records” means inscribed, printed or written documents, manuscripts and records, including abstracts, books, deeds, drawings, films, maps or mortgages. But, “valuable papers and records” does not mean “money” or “securities”, electronic data or accounts receivable.

3. This Extension is subject to the following exclusions:

a. Under the Causes Of Loss – Special Form:

(1) Exclusion B.1.c. Governmental Action;

(2) Exclusion B.1.d. Nuclear Hazard;

(3) Exclusion B.1.f. War And Military Action; and

(4) Exclusions 2.f., 2.g. and 3.

b. Under this extension endorsement:

(1) The computer-related losses exclusion; and

(2) The computer advice or consultation exclusion,

under Paragraph **G.** Electronic Data Processing Coverage Extension.

4. Coverage under this Extension is extended to apply to loss or damage to "valuable papers and records" off-premises. The most we will pay for such loss or damage in any one “occurrence” is the Valuable Papers And Records (Other Than Electronic Data) – Off-premises Limit of Insurance indicated in the Supplemental Schedule.

A $1,000 deductible applies to this Additional Coverage.

EE. Newly Acquired Or Constructed Property – Buildings

Under the Building And Personal Property Coverage Form, the Newly Acquired Or Constructed Property Coverage Extension for Buildings is amended as follows:

1. The $250,000 Limit of Insurance at each building in Paragraph A.5.a.(1) is deleted and replaced by the Limit of Insurance indicated for Newly Acquired Or Constructed Property-Buildings in the Supplemental Schedule.

2. The 30 days Period Of Coverage in Paragraph A.5.a.(3)(b) is deleted and replaced by 90 days.

FF. Newly Acquired Or Constructed Property – Your Business Personal Property

Under the Building And Personal Property Coverage Form, the Newly Acquired Or Constructed Property Coverage Extension for Your Business Personal Property is amended as follows:

1. The $100,000 Limit of Insurance at each building in Paragraph A.5.a.(2) is deleted and replaced by the Limit of Insurance indicated for Newly Acquired Or Constructed Property-Your Business Personal Property in the Supplemental Schedule.

2. The 30 days period of coverage in Paragraph A.5.a.(3)(b) is deleted and replaced by 90 days.

3. With respect to “computer systems”, the period of coverage for such newly acquired property ends when specific insurance at the newly acquired premises is obtained.

GG. Newly Acquired Locations – Business Income (And Extra Expense)

Under the Business Income (And Extra Expense) Coverage Form, the Newly Acquired Locations Coverage Extension is amended as follows:

1. The $100,000 Limit of Insurance at each location in Paragraph A.6.b. for the sum of Business Income (And Extra Expense) incurred is deleted and replaced by the Limit of Insurance indicated for Newly Acquired Locations – Business Income (And Extra Expense) in the Supplemental Schedule.

2. The 30 days period of coverage in Paragraph A.6.c.(2) is deleted and replaced by 90 days.

HH. Personal Effects And Property Of Others

Under the Building And Personal Property Coverage Form, the $2,500 Limit of Insurance at each described premises in Paragraph **A.5.b.** of the Personal Effects And Property Of Others Coverage Extension is deleted and replaced by the Personal Effects And Property Of Others Limit of Insurance indicated in the Supplemental Schedule.

II. Property Off-premises

Under the Building And Personal Property Coverage Form, Coverage Extension **5.d.** applicable to Property Off-premises is amended as follows:

1. Paragraph A.5.d.(1) is extended to include property off-premises that is in the care, custody or control of your salesperson, but not at a fair, trade show or exhibition.

2. Paragraph A.5.d.(2) is deleted and replaced by the following:

(2) This Extension does not apply to property:

(a) In or on a vehicle, except computers and duplicate or backup records not specifically excluded by Paragraph (b) below; or

(b) That is computers located at a premises you do not own, lease or operate for more than 90 days. This includes duplicate or backup records stored at a separate premises that is more than 1,000 feet from a described premises.

3. Paragraph A.5.d.(3) regarding the most we will pay is replaced by the following:

(3) The most we will pay under this Extension for loss or damage in any one “occurrence” is the Property Off-premises Limit of Insurance indicated in the Supplemental Schedule.

JJ. Outdoor Property

Under the Building And Personal Property Coverage Form, the Outdoor Property Coverage Extension **5.e.** is deleted and replaced by the following:

1. You may extend the insurance that applies to the Building And Personal Property Coverage Form to apply to the following outdoor property, including debris removal expense, located at the described premises:

a. Fences and/or retaining walls that are not part of a building;

b. Outdoor radio, television and other antennas, including satellite dishes, and their lead-in and support wiring, masts or towers;

c. Outdoor signs, whether or not the sign is attached to a building; and

d. All other outdoor fixtures attached to described buildings or attached to land at the described premises.

2. For purposes of the property described in this Extension only, Paragraphs 2.l. and 2.q.(2) of Property Not Covered of the Coverage section do not apply.

3. This Extension does not apply to trees, shrubs, plants, bulkheads, pilings, piers, wharves or docks.

4. This Extension applies to loss or damage caused by or resulting from the Covered Causes of Loss that apply to other property under the policy.

5. Under the Exclusions section of the Causes Of Loss – Special Form, we will not pay for loss or damage to outdoor signs caused by or resulting from any of the following:

a. Earth Movement;

b. Governmental Action;

c. Nuclear Hazard;

d. War And Military Action;

e. Water, as excluded under exclusion B.1.g. of the Causes of Loss – Special Form, except to the extent coverage is provided under the Underground Water And Backup Of Sewers And Drains Additional Coverage or the Accumulation Of Surface Water Extension of this extension endorsement; and

f. Exclusions B.2.d.(1), B.2.d.(2) and B.2.d.(6) of the Causes of Loss – Special Form.

6. Under the Limits Of Insurance section of the Building And Personal Property Coverage Form, the $2,500 Limit of Insurance (shown therein as “$2,500 per sign in any one occurrence”) is deleted.

The most we will pay under this Extension for loss or damage in any one “occurrence”, regardless of the types or number of items lost or damaged in that “occurrence”, is the Outdoor Property Limit of Insurance indicated in the Supplemental Schedule.

KK. Accumulation Of Surface Water

Under the Causes Of Loss – Special Form, the following additional cause of loss is added to the Covered Causes of Loss:

1. We will pay for direct physical loss of or damage to Covered Property due to water that accumulates on the surface of the ground at the described premises as a result of rain, snow, sleet or hail.

However, we will not pay for loss or damage due to water that accumulates on the surface of the ground if such accumulation is caused by or results from “flood”. As used in this extension endorsement, “flood” means a general and temporary condition of partial or complete inundation of normally dry land areas from:

a. The overflow, or the expansion beyond normal boundaries, of inland or tidal waters, including natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans, or any other body of water or watercourse;

b. Waves or tides, including tsunami;

or their spray, whether driven by wind or not.

2. Except as provided under this Extension, the Water exclusion under Paragraph B.1.g. of the Causes Of Loss – Special Form continues to apply.

3. Under this Extension, the most we will pay for loss or damage to Covered Property in any one “occurrence” is $25,000.

LL. Non-owned Detached Trailers

Under the Building And Personal Property Coverage Form, the $5,000 Limit of Insurance in Paragraph **A.5.f.(3)** of the Non-owned Detached Trailers Coverage Extension is deleted and replaced by the Non-owned Detached Trailers Limit of Insurance indicated in the Supplemental Schedule.

MM. Theft Of Jewelry, Furs, Stamps And Other Specified Items

The following replaces Paragraph **3.** of the **Limitations** section of the Causes Of Loss – Special Form:

3. The most we will pay in any one “occurrence” for the total loss of or damage to all:

a. Furs, fur garments and garments trimmed with fur;

b. Jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals; and

c. Stamps, tickets, including lottery tickets held for sale, and letters of credit;

if caused by theft, is the Theft Of Jewelry, Furs, Stamps And Other Specified Items Limit of Insurance indicated in the Supplemental Schedule. This limit will apply regardless of the types or number of articles that are lost or damaged in that “occurrence”.

This Extension does not cover loss of or damage to property that consists of patterns, dies, molds and forms.

The Theft Of Jewelry, Furs, Stamps And Other Specified Items Limit of Insurance indicated in the Supplemental Schedule does not apply to jewelry and watches worth $100 or less per item, but is part of, and not in addition to, the Limit of Insurance applicable to the Covered Property.

Paragraph **3.** of the **Limitations** section of the Causes Of Loss - Special Form does not apply to Business Income Coverage or to Extra Expense Coverage.

NN. Accounts Receivable

1. Under this Coverage Extension, you may extend the insurance that applies to Your Business Personal Property under the Building And Personal Property Coverage Form to apply to accounts receivable that cannot be collected because of direct physical loss of or damage to Covered Property caused by a Covered Cause of Loss. But this Extension does not apply to records that exist as electronic data.

2. We will pay:

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 reestablish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your accounts receivable records.

3. We will not pay for loss or damage:

a. Caused by or resulting from 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 or resulting from bookkeeping, accounting or billing errors or omissions; and

c. That requires any audit of records or any inventory computation to prove its factual existence.

4. This Extension is subject to the following exclusions:

a. Under the Causes Of Loss – Special Form:

(1) Exclusion B.1.c. Governmental Action;

(2) Exclusion B.1.d. Nuclear Hazard;

(3) Exclusion B.1.f. War And Military Action; and

(4) Exclusions 2.f., 2.g. and 3.

b. Under this extension endorsement:

(1) The computer-related losses exclusion; and

(2) The computer advice or consultation exclusion,

under Paragraph **G.** Electronic Data Processing Coverage Extension.

5. The most we will pay under this Extension for loss or damage in any one “occurrence” at each described premises and at other than described premises is the Accounts Receivable Limit of Insurance indicated in the Supplemental Schedule. Such amount is additional insurance. This Additional Coverage is subject to a $1,000 deductible.

OO. False Pretense

1. You may extend the insurance that applies to Your Business Personal Property to cover loss or damage to Covered Property when you or your agents, consignees or customers voluntarily part with the Covered Property due to:

a. Having accepted false bills of lading or shipping receipts; or

b. Someone causing you to voluntarily part with the Covered Property by trick, scheme, device or false pretense.

2. Under the Causes Of Loss – Special Form, Paragraph 2.i. of the Exclusions section is deleted.

3. We will not pay for:

a. Loss or damage to Covered Property when the person committing the wrongful act is an “employee”; and

b. Any loss covered under the Money Orders And Counterfeit Money Additional Coverage or the Computer And Funds Transfer Fraud Additional Coverage.

4. The most we will pay under this Extension for loss or damage in any one “occurrence” is the False Pretense Limit of Insurance indicated in the Supplemental Schedule.

PP. Inventory And Appraisal Expense

Under the Building And Personal Property Coverage Form, you may extend the insurance that applies to Your Business Personal Property to apply to reasonable expenses incurred for inventories and appraisals that are made at our request to determine the extent of loss or damage to any of your Covered Property and that are not due to a disagreement.

We will not pay for any expenses incurred, directed or billed by, or payable to, any public adjuster or public accountant, or their associates or subordinates, or any costs as provided in Paragraph **2. Appraisal** of the **Loss Conditions** section.

The most we will pay under this Extension in any one “occurrence” is the Limit of Insurance for Inventory And Appraisal Expense indicated in the Supplemental Schedule.

QQ. Ordinance Or Law – Machinery And Equipment

1. Subject to Paragraph 2. below, if a Covered Cause of Loss damages machinery or equipment that is Covered Property, we will pay the additional costs to repair or replace the machinery or equipment as required by law.

2. If a Covered Cause of Loss damages refrigeration machinery or equipment that is Covered Property, we will pay:

a. The cost to reclaim the refrigerant as required by law;

b. The cost to retrofit the machinery or equipment to use a non-CFC refrigerant as required by the Clean Air Act of 1990 and any amendments thereto or any other similar laws; and

c. The increased cost to recharge the system with a non-CFC refrigerant.

3. We will not pay for the costs associated with the enforcement of 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”, except as provided in Paragraph QQ.2.a. above.

4. Loss to the machinery or equipment will be determined as follows:

a. If replacement cost applies and the machinery or equipment is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

(1) The amount you actually spend to repair the machinery or equipment, but not for more than the amount it would cost to replace the machinery or equipment with machinery or equipment of the same kind and quality; or

(2) The Limit of Insurance shown in the Declarations as applicable to the covered Building or Your Business Personal Property.

b. If replacement cost applies and the machinery or equipment is not repaired or replaced, or if replacement cost does not apply, we will not pay more than the lesser of:

(1) The actual cash value of the machinery or equipment at the time of loss; or

(2) The Limit of Insurance shown in the Declarations as applicable to the covered Building or Your Business Personal Property.

c. 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 machinery or equipment was undamaged; and

(2) You failed to comply with.

5. Paragraph 1.a. of the Exclusions section of the Causes of Loss – Special Form does not apply to this Additional Coverage.

6. The Coinsurance Additional Condition does not apply to this Additional Coverage.

RR. Trees, Shrubs And Plants (Other Than Stock Or Part Of A Vegetated Roof)

Under the Building And Personal Property Coverage Form, you may extend the insurance that applies to Your Business Personal Property to apply to your trees, shrubs and plants (other than trees, shrubs or plants which are “stock” or are part of a vegetated roof) at described premises.

For purposes of this Extension only, Paragraph **2.q.(2)** of **Property Not Covered** of the **Coverage** section does not apply with respect to trees, shrubs or plants (other than trees, shrubs or plants, which are “stock” or are part of a vegetated roof).

This Additional Coverage is subject to the Causes Of Loss – Special Form. In addition, the following exclusions apply to this Additional Coverage:

We will not pay for loss or damage to trees, shrubs or plants caused by or resulting from any of the following:

1. Dampness or dryness of atmosphere;

2. Changes in or extremes of temperature; or

3. Rain, snow, ice or sleet.

The most we will pay under this Additional Coverage for loss or damage for any one tree, shrub or plant and per “occurrence” is the applicable Limit of Insurance indicated in the Supplemental Schedule for Trees, Shrubs And Plants (Other Than Stock Or Part Of A Vegetated Roof).

SS. Dependent Property

The following Extension is added as an Additional Coverage under the Business Income (And Extra Expense) Coverage Form:

1. We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage at the premises to a "dependent property" caused by or resulting from a Covered Cause of Loss. However, coverage under this Extension does not apply when the only loss to "dependent property" is loss or damage to electronic data, including destruction or corruption of electronic data. If the "dependent property" sustains loss or damage to electronic data and “other property”, coverage under this extension endorsement will not continue once the “other property” is repaired, rebuilt or replaced. The definitions of “dependent property” and “period of restoration” are set forth in Paragraph V. Additional Definitions of this extension endorsement.

2. The provisions of the Business Income Coverage Form respecting direct physical loss or damage at the described premises will apply separately to each premises of “dependent property”. The Limit of Insurance shown in the Supplemental Schedule for “dependent property” is separate from any Business Income Limit of Insurance in this policy applicable when direct physical loss or damage occurs at your premises.

3. The most we will pay for all such loss arising out of loss or damage at the premises of all “dependent property” combined is the Limit of Insurance indicated in the Supplemental Schedule for Dependent Property.

4. With respect to "dependent property", the following replaces Paragraph C.3.c.(1) of the Loss Determination provision of the Loss Condition section of the Business Income (And Extra Expense) Coverage Form:

(1) Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:

(a) Source of materials; or

(b) Outlet for your products.

This limited coverage for “dependent property” provided under this Extension only applies when the Business Income (And Extra Expense) Coverage Form applies to your policy, for which a Business Income (And Extra Expense) Limit is shown in the Declarations. It does not apply to any other Coverage Forms issued by us.

TT. Contractual Penalties

We will pay contractual penalties imposed by written contract between you and your customers. These penalties must:

1. Result from your failure to deliver your product or service on time according to contract terms;

2. Result from direct physical loss or damage to Covered Property by a Covered Cause of Loss; and

3. Have been paid by you to your customer.

The most we will pay under this Additional Coverage in any one policy period is the Contractual Penalties Limit of Insurance indicated in the Supplemental Schedule.

UU. Utility Services – Time Element

1. Coverage

Under this Additional Coverage, we will pay your Business Income loss and/or Extra Expense, as provided and limited in the applicable Coverage Form, resulting from your “suspension” of “operations” at the described premises caused by an interruption in utility services to that premises. The interruption in utility services must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph **3.** below.

The Business Income and Extra Expense coverage provided under this extension endorsement only applies at a covered premises described in the Commercial Property Coverage Part Supplemental Declarations for which a Business Income (and Extra Expense) Limit is shown.

2. Exception

Coverage under this Additional Coverage for loss or damage to Covered Property does not apply to electronic data, including destruction or corruption of electronic data, nor does it apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this extension endorsement applies.

3. Utility Services

a. Water Supply Property, meaning the following types of property supplying water to the described premises:

(1) Pumping stations; and

(2) Water mains.

b. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

(1) Communication transmission lines, including optic fiber transmission lines;

(2) Coaxial cables; and

(3) Microwave radio relays except satellites.

c. Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described premises:

(1) Utility generating plants;

(2) Switching stations;

(3) Substations;

(4) Transformers; and

(5) Transmission lines.

d. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities. Coverage under this provision does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

As used in this Extension, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

Overhead transmission lines are covered unless specifically excluded elsewhere in the policy.

4. For the purpose of this Coverage Extension, Utility Services Exclusion B.1.e.(2) of the Causes Of Loss – Special Form does not apply, however, resulting damage from a Covered Cause of Loss is covered. (If your policy follows the 04 02 edition of the Causes Of Loss – Special Form, then Special Exclusion B.4.a.(1) does not apply under this Extension; however, resulting damage from a Covered Cause of Loss is covered.)

5. The most we will pay for loss or damage under this Coverage Extension for the coverage set forth in Paragraph UU.1. above is the Limit of Insurance indicated for Utility Services – Time Element listed in the Supplemental Schedule for the actual loss of Business Income and/or Extra Expense you sustain during the “period of restoration”.

This limited coverage for utility services does not constitute a Covered Cause of Loss under the Building And Personal Property Coverage Form, or any other Coverage Forms issued by us, other than as provided in this Extension or if coverage is provided for any resulting damage from a Covered Cause of Loss under Utility Services Exclusion **B.1.e.(2)** in the Causes Of Loss – Special Form (or Special Exclusion **B.4.a.(1)**, if your policy follows the 04 02 edition of the Causes Of Loss – Special Form). In addition, Utility Services Exclusion **B.1.e.(1)** continues to apply to this Extension.

VV. Utility Services – Direct Damage

1. Coverage

Under this Additional Coverage, we will pay for loss of or damage to Covered Property, other than “perishable stock” defined in the Spoilage – Includes Breakdown Or Contamination Additional Coverage, at the premises described in the Declarations caused by an interruption in utility services, described in Paragraph **3.** below, to the described premises. The interruption in utility services must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph **3.** below.

2. Exception

Coverage under this Additional Coverage for loss or damage to Covered Property does not apply to electronic data, including destruction or corruption of electronic data, nor does it apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data.

3. Utility Services

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

(1) Pumping stations; and

(2) Water mains.

b. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

(1) Communication transmission lines, including optic fiber transmission lines;

(2) Coaxial cables; and

(3) Microwave radio relays except satellites.

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

(1) Utility generating plants;

(2) Switching stations;

(3) Substations;

(4) Transformers; and

(5) Transmission lines.

As used in this Extension, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

Overhead transmission lines are covered unless specifically excluded elsewhere in the policy.

4. For the purposes of this Coverage Extension, Utility Services Exclusion B.1.e.(1) of the Causes Of Loss – Special Form does not apply; however, resulting damage from a Covered Cause of Loss is covered. (If your policy follows the 04 02 edition of the Causes Of Loss – Special Form, then Exclusion B.1.e. does not apply; however, resulting damage from a Covered Cause of Loss is covered.)

5. The most we will pay for loss or damage under this Coverage Extension for the coverage set forth in Paragraph VV.1. above is the Limit of Insurance indicated for Utility Services – Direct Damage listed in the Supplemental Schedule for loss or damage to Covered Property in any one “occurrence”.

This limited coverage for utility services does not constitute a Covered Cause of Loss under the Business Income (And Extra Expense) Coverage Form, or any other Coverage Forms issued by us, other than as provided in this Extension or if coverage is provided for any resulting damage from a Covered Cause of Loss under Utility Services Exclusion **B.1.e.(1)** of the Causes Of Loss - Special Form. In addition, Utility Services Exclusion **B.1.e.(2)** continues to apply to this Extension.

WW. Resumption Of Operations

Under this Additional Coverage for Resumption Of Operations, the following replaces Paragraph **C.3.c.(1)** of the **Loss** **Determination** provision of the **Loss Conditions** section of the Business Income (And Extra Expense) Coverage Form:

Business Income loss, other than Extra Expense, to the extent you can resume your “operations”, in whole or in part by using:

1. Damaged or undamaged property, including merchandise or “stock”, at the described premises or elsewhere; or

2. Any other available source of materials or outlet for your products.

XX. Foundations And Underground Pipes

Under the Building and Personal Property Coverage Form, Paragraphs **2.f.**, **2.g.** and **2.m.** of **Property Not Covered** of the **Coverage** section do not apply.

The most we will pay for all loss or damage in any one “occurrence” under this Additional Coverage for Foundations and Underground Pipes is the Limit of Insurance for Foundations And Underground Pipes indicated in the Supplemental Schedule.

YY. Awnings And Canopies – Permanently Attached

Under the Building And Personal Property Coverage Form, Paragraph **A.1.a.(1)** applicable to completed additions to buildings is extended to include coverage for loss or damage from a Covered Cause of Loss to permanently attached awnings and canopies.

The limit for this Extension is included in the Limit of Insurance applicable to the building described in the Declarations.

ZZ. Fuel Storage Tanks And Pumps

Under the Building and Personal Property Coverage Form, you may extend the insurance that applies to the building described in the Declarations of the policy to apply to the following:

Above and below ground fuel storage tanks, including:

1. Gasoline, diesel, kerosene or propane fuel storage tanks, including their contents, piping and connections pertaining thereto; and

2. Gasoline, diesel, kerosene or propane fuel pumps and their electrical equipment.

For purposes of this Extension, Paragraph **2.m.** (pertaining to underground pipes, flues or drains) of **Property Not Covered** of the **Coverage** section does not apply.

The limit for this Extension is included in the Limit of Insurance applicable to the building described in the Declarations.

AAA. Emergency Vacating Expense

1. Coverage

Under this Additional Coverage, we will pay the reasonable expenses that you incur in the “emergency” vacating of the premises of your facility described in the Declarations, provided that the vacating is necessary due to an “emergency” situation resulting from a Covered Cause of Loss. For purposes of this Additional Coverage, “emergency” means imminent danger arising from an external event, or a condition in your facility described in the Declarations, which would cause loss of life or harm to occupants.

2. Exception

We will not pay for any expenses under this Additional Coverage arising out of:

a. A strike, bomb threat or false fire alarm, unless vacating is ordered by a civil authority;

b. A planned vacating drill; or

c. The vacating of one or more patients or residents that is due solely to their individual medical condition.

3. Limit/Deductible

The most we will pay for expenses under this Additional Coverage, in any one “occurrence”, is $25,000. The deductible under this Additional Coverage is $250 per “occurrence”.

II. LIMITS OF INSURANCE

Under the Building And Personal Property Coverage Form, the **Limits Of Insurance** section is amended to add the following:

A. Automatic Increase – Building

1. The Limit of Insurance for buildings will automatically increase by the Automatic Increase - Building percentage shown in the Supplemental Schedule.

2. The Automatic Increase - Building percentage applies proportionately throughout the policy period. The actual amount of increase available on the day of loss or damage will be the last limit fixed for the property and set forth in the policy at inception, at anniversary or as subsequently endorsed:

a. Times the Automatic Increase - Building percentage from the Supplemental Schedule;

b. Times the number of days since the limit was last fixed;

c. Divided by 365.

B. Automatic Increase – Your Business Personal Property

1. The Limit of Insurance for Your Business Personal Property will automatically increase by the Automatic Increase – Your Business Personal Property percentage shown in the Supplemental Schedule.

2. The Automatic Increase - Your Business Personal Property percentage applies proportionately throughout the policy period. The actual amount of increase available on the day of loss or damage will be the last limit fixed for the business personal property and set forth in the policy at inception, at anniversary or as subsequently endorsed:

a. Times the Automatic Increase - Your Business Personal Property percentage from the Supplemental Schedule;

b. Times the number of days since the limit was last fixed;

c. Divided by 365.

III. ADDITIONAL CRIME EXCLUSIONS

The following additional exclusions are added to the **Exclusions** section of the Causes Of Loss – Special Form, but only with respect to the Additional Coverages referenced below:

With respect to the Additional Coverages applicable to Employee Dishonesty, Forgery Or Alteration, Money And Securities – Inside The Premises, Money And Securities – Outside The Premises, Computer And Funds Transfer Fraud and/or Money Orders And Counterfeit Money, we will not pay for loss or damage:

A. Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons;

B. Resulting from loss caused by an “employee” if the “employee” had also committed “theft” or any other dishonest act prior to the effective date of this insurance and you or any of your partners, “members”, “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. Resulting from any dishonest act committed by any of your “employees”, “managers”, directors, trustees or authorized representatives:

1. Whether acting alone or in collusion with other persons; or

2. While performing services for you or otherwise;

except as provided for under the Employee Dishonesty Extension;

D. Resulting from the disclosure of your or another person’s or organization’s confidential or personal information or the use of another person’s or organization’s confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information;

E. Resulting from a data security breach. This pertains to fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person’s or organization’s confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information;

F. Resulting from a loss that is an indirect result of any act or “occurrence” covered by one or more of the Additional Coverages referenced in this Section III, including, but not limited to, loss resulting from:

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

2. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under one or more of the Additional Coverages referenced in this Section III; or

3. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss covered under one or more of the Additional Coverages referenced in this Section III; or

G. Resulting from fees, costs and expenses incurred by you, which are related to any legal action, except as provided under the Coverage Extension for Forgery Or Alteration.

IV. ADDITIONAL CONDITIONS

A. The following additional conditions apply to the Loss Conditions section of the Building And Personal Property Coverage Form:

1. Under Paragraph 3. Duties In The Event Of Loss Or Damage, the following condition is added:

**Notice Of A Loss Occurrence**

Notice of a loss “occurrence” by an agent, servant or “employee” of yours shall not constitute notice to you unless the agent, servant or “employee” is an officer, partner, “manager” of yours or any risk management personnel and/or any “employee(s)” responsible for accepting notice or handling claims.

2. Under Paragraph 4. Loss Payment, the following condition is added:

**Partial Payment Of Loss**

We may, at our discretion, issue a partial payment of loss, subject to the policy provisions and the normal loss adjustment process. To qualify for a partial payment of loss:

a. You must submit a sworn, partial proof of loss with supporting documentation. We will supply the necessary forms; and

b. You must satisfy any applicable deductible.

However, we reserve the right to deny your claim in whole or in part. If we ultimately deny your claim, you must reimburse us for any partial payment we have made.

3. Under Paragraph 7. Valuation, the following condition is added:

**Pairs Or Sets**

In case of a total loss of any items that are part of a pair or set that is individually listed and described in the Declarations, we will pay the applicable full Limit of Insurance shown in the Declarations for that pair or set.

In the case of loss to any part of a pair or set that is not individually listed and described in the Declarations, we may:

a. Repair or replace any part to restore the pair or set to its value prior to the loss; or

b. Pay the difference between the value of the pair or set prior to and following the loss.

4. The following additional Crime conditions are added to the Loss Conditions section of the Building And Personal Property Coverage Form, but only with respect to the Coverage Extensions for Employee Dishonesty, Forgery Or Alteration, Money And Securities – Inside The Premises, Money And Securities – Outside The Premises, Computer And Funds Transfer Fraud and Money Orders And Counterfeit Money:

a. Duties In The Event Of Loss

After you discover a loss or a situation that may result in loss of or damage to “money”, “securities” or “other property” you must:

(1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under the Employee Dishonesty or Forgery Or Alteration Extension) involves a violation of law, you must also notify the local law enforcement authorities;

(2) Submit to examination under oath at our request and give us a signed statement of your answers;

(3) Give us a detailed, sworn proof of loss within 120 days. With respect to Forgery Or Alteration, you must include with your proof of loss any instrument involved in that loss, or if that is not possible, an affidavit setting forth the amount and cause of loss;

(4) Cooperate with us in the investigation and settlement of any claim; and

(5) Secure all of your rights of recovery against any person or organization responsible for the loss and do nothing to impair those rights.

b. Loss Sustained During Prior Insurance

(1) If the insurance to which this extension endorsement applies is a renewal of a prior insurance policy issued by us which contained Coverage Extensions for Employee Dishonesty, Forgery Or Alteration, Money And Securities, Computer And Funds Transfer Fraud and Money Orders And Counterfeit Money, we will pay for covered loss or damage sustained by you during that immediately preceding policy period that you could have recovered under those Coverage Extensions except for the fact that the time within which to discover such loss or damage had expired, provided that:

(a) The insurance to which this extension endorsement applies became effective at the time that the immediately preceding insurance policy, of which this insurance is a renewal, expired; and

(b) The loss or damage would have been covered by the applicable Coverage Extension provided in this insurance for Employee Dishonesty, Forgery Or Alteration, Money And Securities – Inside The Premises, Money And Securities – Outside The Premises, Computer And Funds Transfer Fraud or Money Orders And Counterfeit Money had such applicable Coverage Extension been in effect when the acts or events causing the loss or damage were committed or occurred.

(2) The amount of coverage available to you under this Loss Sustained During Prior Insurance Condition is part of, and not in addition to, the Limit of Insurance applying to the applicable Coverage Extension provided in this insurance for Employee Dishonesty, Forgery Or Alteration, Money And Securities – Inside The Premises, Money And Securities – Outside The Premises, Computer And Funds Transfer Fraud or Money Orders And Counterfeit Money and is limited to the lesser of the amount recoverable under:

(a) Such Coverage Extension provided by this insurance; or

(b) Such Coverage Extension that would have been provided by the immediately preceding insurance policy issued by us had it remained in effect.

c. Extended Period To Discover Loss

With respect to theCoverage Extensions provided by this insurancefor Employee Dishonesty, Forgery Or Alteration, Money And Securities - Inside The Premises, Money And Securities – Outside The Premises, Computer And Funds Transfer Fraud and Money Orders And Counterfeit Money, we will pay for covered loss or damage sustained by you during the policy period of this insurance if such covered loss or damage was discovered by you no later than one year from the expiration date of the policy period of this insurance. However, this extended period to discover loss or damage sustained by you during the policy period of this insurance 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 the applicable Coverage Extension provided by this insurancefor Employee Dishonesty, Forgery Or Alteration, Money And Securities – Inside The Premises, Money And Securities – Outside The Premises, Computer And Funds Transfer Fraud or Money Orders And Counterfeit Money, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

d. Records

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

e. Recoveries

(1) Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this policy will be distributed as follows:

(a) To you, until you are reimbursed for any loss that you sustain that exceeds the applicable Limit of Insurance and the applicable Deductible, if any;

(b) Then to us, until we are reimbursed for the settlement made; and

(c) Then to you, until you are reimbursed for that part of the loss equal to the applicable Deductible, if any.

(2) Recoveries do not include any recovery:

(a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(b) Of original “securities” after duplicates of them have been issued.

f. Loss Payable Under More Than One Crime Coverage

If any loss is covered under more than one Additional Coverage hereunder for Employee Dishonesty, Forgery Or Alteration, Money And Securities – Inside The Premises, Money And Securities – Outside The Premises, Computer And Funds Transfer Fraud and/or Money Orders And Counterfeit Money, we will only pay loss under the Additional Coverage that provides the highest limit for the loss.

B. The following conditions are added to the Additional Conditions section of the Building And Personal Property Coverage Form:

1. Determination Of Accounts Receivable

a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:

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

(2) 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.

b. The following will be deducted from the total amount of accounts receivable, however that amount is established:

(1) The dollar amount of the accounts for which there is no loss or damage;

(2) The dollar amount of the accounts that you are able to re-establish or collect;

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

(4) All unearned interest and service charges.

2. Unintentional Errors And Omissions

This insurance shall not be prejudiced by any unintentional act or inadvertent error or omission, incorrect valuation or incorrect description of your insurable interest, risk or property, provided notice is given to us as soon as practicable upon discovery of such error, omission, incorrect valuation or incorrect description. However, we will only cover the loss or damage to the extent we would have provided coverage had such unintentional act or inadvertent error or omission, incorrect valuation or incorrect description not been made.

You are to report any error or omission as soon as discovered. We will correct the policy and/or our records and charge you any additional premium due.

V. ADDITIONAL DEFINITIONS

The following definitions are added to the Building And Personal Property Coverage Form and/or the Business Income (And Extra Expense) Coverage Form, but only as respects coverage provided under this extension endorsement, and such definitions shall govern to the extent they differ from the corresponding definitions, if any, included in the Building And Personal Property Coverage Form and/or the Business Income (And Extra Expense) Coverage Form:

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

B. “Computer program” means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enable the computer or devices to receive, process, store or send electronic data.

C. “Computer system” means:

1. Computers, including Personal Digital Assistants (PDAs) and other transportable or handheld devices, electronic storage devices and related peripheral components;

2. Systems and applications software; and

3. Related communications networks;

by which electronic data is collected, transmitted, processed, stored or retrieved.

D. “Counterfeit money” means an imitation of “money” that is intended to deceive and to be taken as genuine.

E. “Defect” means a deficiency, inadequacy or dangerous condition.

F. "Dependent property" means property operated by others whom you depend on to:

1. Deliver materials or services to you or to others for your account (Contributing Locations). But any property which delivers any of the following services is not a Contributing Location with respect to such services:

a. Water supply services;

b. Power supply services;

c. Wastewater removal services; or

d. Communication supply services, including services relating to internet access or access to any electronic network;

2. Accept your products or services (Recipient Locations);

3. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

4. Attract customers to your business (Leader Locations).

“Dependent property” does not include a road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure.

G. “Discover” or “discovered” means 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 extension endorsement 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 of loss may not then be known.

“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 insurance.

H. “Employee”, with respect to the Employee Dishonesty, Forgery Or Alteration, Money And Securities – Inside The Premises, Money And Securities – Outside The Premises, Computer And Funds Transfer Fraud or Money Orders And Counterfeit Money Coverage Extensions, means:

1. Any natural person:

a. While in your service or for 30 days after termination of service;

b. Whom you compensate directly by salary, wages or commissions; and

c. Whom you have the right to direct and control while performing services for you;

2. Any natural person who is furnished temporarily to you:

a. To substitute for a permanent “employee” as defined in Paragraph 8.a. above, which permanent “employee” is on leave; or

b. To meet seasonal or short-term work load conditions;

3. 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 8.b. above;

4. 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

5. 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 any building you occupy in conducting your business.

6. “Employee” does not mean:

a. Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraphs 8.a. through 8.e.; or

b. Any "manager", director or trustee except while performing acts coming within the usual duties of an “employee”.

I. “Financial institution” means:

1. With regard to Money And Securities - Inside The Premises Extension:

a. A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution; or

b. An insurance company.

2. With regard to the Computer And Funds Transfer Fraud Extension:

a. A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;

b. An insurance company; or

c. A stock brokerage firm or investment company.

J. “Financial institution premises” means the interior portion of any building occupied by a “financial institution”.

K. “Fine arts” means bona fide works of art of rarity, historical value or artistic merit, including but not limited to paintings, etchings, pictures, tapestries and art glass windows.

L. "Forgery" means the signing of the name of another person or organization with intent to deceive. “Forgery” 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.

M. “Fraudulent instruction” means:

With respect to Paragraph  **I.1.b.** of the Computer And Funds Transfer Fraud Extension:

1. A computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic instruction directing a “financial institution” or “employee” to debit your “transfer account” and to transfer, pay or deliver “money” or “securities” from that “transfer account”, which instruction purports to have been issued by you, but which in fact was fraudulently issued by someone else without your knowledge or consent;

2. A written instruction (other than those covered under the Extension for Forgery Or Alteration) issued to a “financial institution” or “employee” directing the “financial institution” or “employee” to debit your “transfer account” and to transfer, pay or deliver “money” or “securities” from that “transfer account”, through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by you, but which in fact was issued, forged or altered by someone else without your knowledge or consent.

3. A computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic or written instruction initially received by you which instruction purports to have been issued by an "employee" but which in fact was fraudulently issued by someone else without your or the said “employee’s” knowledge or consent.

With respect to Paragraph **I.2.** of the Computer And Funds Transfer Fraud Extension:

A computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic, written or voice instruction directing an “employee” to enter or change electronic data or “computer programs” within a “computer system” covered under the Extension, which instruction in fact was fraudulently issued by your computer software contractor.

N. “Funds” means “money” and “securities”.

O. “Informant” means a person, other than an insured person providing information not otherwise obtainable, solely in return for a reward offered by you.

P. “Key” means a device which is used to open a lock.

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

R. “Market Value” means the price which the property might be expected to realize, prior to loss or damage, if offered for sale in a fair market on the date the loss or damage occurred, the cost of reasonable restoration of the property or the replacement of the property with substantially the same property, whichever is less.

S. “Master key” means a “key” that opens all the locks of a set, the individual “keys” of which are not interchangeable.

T. "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".

U. “Messenger” means you or your relative, or any of your partners or “members”, or any “employee” while having care and custody of property outside the “premises”.

V. "Money" means:

1. Currency, coins and bank notes in current use and having a face value; and

2. Travelers checks and money orders held for sale to the public. With respect to the Employee Dishonesty and Forgery Or Alteration Extensions, it also includes deposits in your account at any “financial institution”. With respect to the Computer And Funds Transfer Fraud Extension, it also includes deposits in your account at a “financial institution”, as defined in this extension endorsement.

W. “Occurrence” means:

1. Under the Employee Dishonesty Extension:

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; committed by an "employee" acting alone or in collusion with other persons, during the policy period shown in the Declarations.

2. Under the Forgery Or Alteration Extension:

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; committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the policy period shown in the Declarations.

3. Under the Money And Securities – Inside The Premises, Money And Securities – Outside The Premises, Computer And Funds Transfer Fraud and Money Orders And Counterfeit Money Extensions:

a. An individual act or event;

b. The combined total of all separate acts or events whether or not related; or

c. A series of acts or events whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the policy period shown in the Declarations.

4. Under the Emergency Vacating Expense Additional Coverage, an individual act of “emergency” vacating of the premises of your facility described in the Declarations.

X. “Other property” means any 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 insurance.

Y. The “period of restoration” definition, with respect to "dependent property" is replaced by the following:

1. "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.

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

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

b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

Z. “Premises” mean the interior of that portion of any building you occupy in conducting your business, with respect to the Employee Dishonesty, Forgery Or Alteration, Money And Securities – Inside The Premises, Money And Securities – Outside The Premises, Computer And Funds Transfer Fraud or Money Orders And Counterfeit Money Coverage Extensions.

AA. “Reward” means money paid by you to an “informant” who leads to the arrest and conviction of parties responsible for the loss covered under this insurance.

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

1. Redeemed coupons, tokens, tickets (except lottery tickets held for sale), revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

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

CC. “Theft” means the unlawful taking of property to the deprivation of the insured.

DD. “Transfer account” means an account maintained by you at a “financial institution” from which you can initiate the transfer, payment or delivery of “money” or “securities”:

1. By means of computer, telegraphic, cable, teletype, telefacsimile, telephone or other electronic instructions; or

2. By means of written instructions (other than those covered under the Forgery Or Alteration Extension) establishing the conditions under which such transfers are to be initiated by such “financial institution” through an electronic funds transfer system.