

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SPOILAGE COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

### **SCHEDULE\***

Prem. No.	Bldg. No.	Description of Property	Limit of Insurance	Deductible	Refrigeration Maintenance Agreement	Causes of Loss:			Selling Price
						Breakdown or Contamination	Power Outage		

The Coverage Form to which this endorsement applies is extended to insure against direct physical loss or damage by the Covered Causes of Loss, but only with respect to coverage provided by this endorsement.

**A. Paragraph A.1. COVERED PROPERTY** is replaced by the following:

#### **1. Covered Property**

Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

**B. The following is added to Paragraph A.2. PROPERTY NOT COVERED:**

#### **q. Property located:**

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

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

C. Paragraph **A.3. COVERED CAUSES OF LOSS** is replaced by the following:

**3. Covered Causes of Loss**

Covered Causes of Loss means the following only if indicated by an "X" in the Schedule:

- a. Breakdown or Contamination, meaning:
  - (1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
  - (2) Contamination by the refrigerant.
- b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

**D. SELLING PRICE**

If Selling price is indicated by an "X" in the Schedule, the following is added to the VALUATION Loss Condition:

We will determine the value of finished "perishable stock" in the event of loss or damage at:

- 1. The selling price, as if no loss or damage had occurred;
- 2. Less discounts and expenses you otherwise would have had.

E. Paragraph **A.5. COVERAGE EXTENSIONS** does not apply.

F. Paragraph **B. EXCLUSIONS** is replaced by the following:

**B. EXCLUSIONS**

- 1. Only the following EXCLUSIONS contained in paragraph **B.1.** of the Causes of Loss Form applicable to this Coverage Part apply to Spoilage Coverage:
  - a. EARTH MOVEMENT;
  - b. GOVERNMENTAL ACTION;
  - c. NUCLEAR HAZARD;
  - d. WAR AND MILITARY ACTION; and
  - e. WATER.
- 2. The following EXCLUSIONS are added:

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

  - a. The disconnection of any refrigerating, cooling or humidity control system from the source of power.

- b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.

- c. The inability of an Electrical Utility Company or other power source to provide sufficient power due to:

- (1) Lack of fuel; or
  - (2) Governmental order.

- d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.

- e. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

G. Paragraph **D. DEDUCTIBLE** is replaced by the following:

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

H. Paragraph **F. ADDITIONAL CONDITIONS** is replaced by the following:

**ADDITIONAL CONDITION**

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

**REFRIGERATION MAINTENANCE AGREEMENTS**

If Breakdown or Contamination is designated as a Covered Cause of Loss and a refrigeration maintenance agreement is shown as applicable by an "X" in the Schedule, 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 endorsement will be automatically suspended at the involved location.

I. Paragraph **G. OPTIONAL COVERAGES** does not apply.

J. The following is added to the DEFINITIONS:

**"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.