

**BUSINESSOWNERS COVERAGE FORM
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AGREEMENT: We agree to provide the insurance described in this policy. You agree to pay premiums when due and comply with the provisions of this policy.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the Company providing this insurance, as shown in the Declarations. Declarations include the policy Declarations or Renewal Declarations and any amendments thereto.

In **SECTION II — LIABILITY**, the word "insured" means any person or organization qualifying as such under **SECTION II — WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION I — DEFINITIONS** and **SECTION II — DEFINITIONS**. Definitions apply to the singular, plural, and possessive forms of these words and phrases.

SECTION I — PROPERTY

When a Limit Of Insurance is shown in the Declarations for that type of property as described under **Coverage A — Buildings**, **Coverage B — Business Personal Property**, or both, we will pay for accidental direct physical loss to that Covered Property at the premises described in the Declarations caused by any loss as described under **SECTION I — COVERED CAUSES OF LOSS**.

Covered Property includes property as described under **Coverage A — Buildings**, property as described under **Coverage B — Business Personal Property**, or both.

Regardless of whether coverage is shown in the Declarations for **Coverage A — Buildings**, **Coverage B — Business Personal Property**, or both, there is no coverage for property described under **Property Not Covered**.

Coverage A — Buildings

Buildings, meaning the buildings and structures at the described premises, including:

1. Completed additions;
2. Fixtures, including outdoor fixtures;
3. Permanently installed:
 - a. Machinery; and
 - b. Equipment;
4. Your personal property in apartments, rooms or common areas furnished by you as landlord;
5. Personal property owned by you that is used to maintain or service the buildings or structures or the described premises, including:
 - a. Fire extinguishing equipment;
 - b. Outdoor furniture;
 - c. Floor coverings; and
 - d. Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
6. If not covered by other insurance:
 - a. Additions under construction, alterations and repairs to the buildings or structures; and

- b. Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

Coverage B — Business Personal Property

Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:

1. Property, used in your business, that you own, lease from others or rent from others, or that is loaned to you;
2. Property of others that is in your care, custody or control, unless provided for in item 1. immediately above;
3. Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - a. Made a part of the building or structure you occupy but do not own; and
 - b. You acquired or made at your expense but cannot legally remove;
4. Building glass, if you are a tenant and no Limit Of Insurance is shown in the Declarations for **Coverage A — Buildings**. The glass must be owned by you or in your care, custody or control; and
5. Property as described in **Coverage A — Buildings**, if you are a tenant and no Limit Of Insurance is shown in the Declarations for **Coverage A — Buildings**. The property must:
 - a. Pertain to the described premises occupied but not owned by you; and
 - b. Be your insurance responsibility according to the terms of your lease or rental agreement.

Property Not Covered

Covered Property does not include:

1. Aircraft, automobiles, motor trucks or other vehicles subject to motor vehicle registration;
2. "Money" or "securities";

3. Contraband or property in the course of illegal transportation, commerce or trade;
4. Land (including land necessary to support any covered building or structure).
With respect to land the following are also not covered:
 - a. Any cost required to replace, rebuild, excavate, grade, backfill, fill, stabilize or otherwise restore the land; or
 - b. The cost of repair techniques designed to compensate for or prevent land instability to any building or structure;
5. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, outdoor signs (whether or not attached to buildings), and outdoor trees, shrubs, plants or lawns (other than trees, shrubs, plants or lawns while held as "stock"), all except as provided in the:
 - a. Outdoor Property Extensions Of Coverage; or
 - b. Signs Extensions Of Coverage;
6. Watercraft (including motors, equipment and accessories) while afloat;
7. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this coverage form;
8. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, automobile, watercraft, motor truck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock";
9. "Electronic Data". This paragraph does not apply to your "stock" of prepackaged software; or
10. Natural water or growing crops.

Property Subject To Limitations

1. We will not pay for loss to:
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by any condition or event inside such equipment. But we will pay for loss to such equipment caused by an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment, air conditioning units or refrigerating units caused by any condition or event inside such boilers or equipment, other than an explosion.
 - c. Property that is missing, where the only evidence of the loss is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - d. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- e. The interior of any building or structure, or the property inside any building or structure, caused by rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause Of Loss to its roof, outside walls, or outside building glass through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss is caused by thawing of snow, sleet or ice on the building or structure.
- f. Bridges, roadways, driveways, walks, patios or other paved surfaces, outdoor swimming pools and related equipment, retaining walls, bulkheads, pilings, piers, wharves, docks and underground pipes, flues or drains caused by:
 - (1) Freezing or thawing;
 - (2) Impact of watercraft; or
 - (3) The pressure or weight of ice, water, or snow whether driven by wind or not.
2. We will not pay for loss to fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken, unless caused by any of the "specified causes of loss" or by building glass breakage. This restriction does not apply to:
 - a. Glass that is part of the exterior or interior of a building or structure;
 - b. Containers of property held for sale; or
 - c. Photographic or scientific instrument lenses.
3. For loss by theft, the following types of property are covered only up to the limits shown:
 - a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
4. Animals are covered only if:
 - a. Owned by others and in your care, custody or control; or
 - b. Held as "stock" and only while inside of buildings.
We will pay only if the animals are killed, stolen, or their destruction is made necessary by any of the "specified causes of loss" or by building glass breakage.

SECTION I — COVERED CAUSES OF LOSS

We insure for accidental direct physical loss to Covered Property unless the loss is:

1. Excluded in **SECTION I — EXCLUSIONS**; or
2. Limited in the **Property Subject To Limitations** provision.

SECTION I — EXCLUSIONS

1. We do not insure under any coverage for any loss which would not have occurred in the absence of one or more of the following excluded events. We do not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

a. Ordinance Or Law

- (1) The enforcement of any ordinance or law:
- (a) Regulating the construction, use or repair of any property; or
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance Or Law, applies whether the loss results from:
- (a) An ordinance or law that is enforced even if the property has not been damaged; or
 - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following an accidental direct physical loss to that property.

b. Earth Movement

- (1) Earthquake, whether combined with water or not, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, whether combined with water or not, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, whether combined with water or not, meaning subsidence of a man-made mine, whether or not mining activity has ceased; or
- (4) Earth sinking (other than "sinkhole collapse"), rising or shifting, whether combined with water or not, including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, the action of water or any other natural forces; or improper compaction, site selection, excavation, retention, stabilization or any other external forces.

But if Earth Movement, as described in Paragraphs (1) through (4) above, results in fire or explosion, we will pay for the loss caused by that fire or explosion.

c. Volcanic Eruption

Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire,

building glass breakage or "volcanic action", we will pay for the loss caused by that fire, building glass breakage or "volcanic action".

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

d. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this coverage form.

e. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination.

Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion or smoke.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the loss caused by that fire.

f. Power Failure

The failure of power or other utility service supplied to the described premises, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause Of Loss, we will pay for the loss caused by that Covered Cause Of Loss.

g. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

h. Water

- (1) Flood, surface water, waves (including tidal waves, tsunami, and seiche), tides, tidal water, overflow of any body of water, or spray or surge from any of these, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water or sewage that backs up or overflows from a sewer, drain or sump;
- (4) Water or sewage under the ground surface pressing on, or flowing or seeping through:
- (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or

- (5) Material carried or otherwise moved by any of the Water, as described in Paragraphs (1) through (4) above.

But if Water, as described in Paragraphs (1) through (5), results in accidental direct physical loss by fire, explosion or sprinkler leakage, we will pay for the loss caused by that fire, explosion or sprinkler leakage.

i. Certain Computer-Related Losses

- (1) The failure, malfunction or inadequacy of:

- (a) Any of the following, whether belonging to any insured or to others:

- i. "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this coverage form;
- ii. "Computer" application software or other "electronic data" as may be described elsewhere in this coverage form;
- iii. "Computer" operating systems and related software;
- iv. "Computer" networks;
- v. Microprocessors ("computer" chips) not part of any "computer" system; or
- vi. Any other computerized or electronic equipment or components; or

- (b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (a) above;

due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times.

- (2) Any advice, consultation, design, evaluation, inspection, installation, 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 Paragraph (1) above.

But, if excluded loss, as described in Paragraph (1) above results in any of the "specified causes of loss" under **SECTION I — PROPERTY**, we will pay only for the loss caused by such "specified causes of loss".

We will not pay for repair, replacement or modification of any items in Paragraph (1)(a) or (1)(b) to correct any deficiencies or change any features.

j. Fungi, Virus Or Bacteria

- (1) Growth, proliferation, spread or presence of "fungi" or wet or dry rot; or
- (2) Virus, bacteria or other microorganism that induces or is capable of inducing physical distress, illness or disease; and

- (3) We will also not pay for:

- (a) Any loss of use or delay in rebuilding, repairing or replacing covered property, including any associated cost or expense, due to interference at the described premises or location of the rebuilding, repair or replacement of that property, by "fungi", wet or dry rot, virus, bacteria or other microorganism;
- (b) Any remediation of "fungi", wet or dry rot, virus, bacteria or other microorganism, including the cost or expense to:
- i. Remove the "fungi", wet or dry rot, virus, bacteria or other microorganism from Covered Property or to repair, restore or replace that property;
 - ii. Tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot, virus, bacteria or other microorganism; or
 - iii. Contain, treat, detoxify, neutralize or dispose of or in any way respond to or assess the effects of the "fungi", wet or dry rot, virus, bacteria or other microorganism; or
- (c) The cost of any testing or monitoring of air or property to confirm the type, absence, presence or level of "fungi", wet or dry rot, virus, bacteria or other microorganism, whether performed prior to, during or after removal, repair, restoration or replacement of Covered Property.

This exclusion does not apply if "fungi", wet or dry rot, virus, bacteria or other microorganism results from an accidental direct physical loss caused by fire or lightning.

2. We do not insure under any coverage for loss whether consisting of, or directly and immediately caused by, one or more of the following:

a. Electrical Apparatus

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in accidental direct physical loss by fire, we will pay for the loss caused by fire.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

Smoke, vapor or gas from agricultural smudging or industrial operations.

d. Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in accidental direct physical loss by fire or combustion explosion, we will pay for the loss caused by that fire or combustion explosion.

We will also pay for loss caused by the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

e. Frozen Plumbing

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the water supply if the heat is not maintained.

f. Dishonesty

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

g. False Pretense

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

h. Exposed Property

Rain, snow, ice or sleet to personal property in the open.

i. Collapse

Collapse, except as provided under **SECTION I — EXTENSIONS OF COVERAGE**. But if collapse results in a Covered Cause Of Loss, we will pay for the loss caused by that Covered Cause Of Loss.

j. Pollution

We will not pay for loss caused by the presence, discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the presence, discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified

causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in an accidental direct physical loss by any of the "specified causes of loss", we will pay for the loss caused by that "specified cause of loss".

k. Neglect

Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

l. Other Types Of Loss

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if an excluded cause of loss that is listed in Paragraphs (1) through (7) above results in an accidental direct physical loss by any of the "specified causes of loss" or by building glass breakage, we will pay for the loss caused by that "specified cause of loss" or by building glass breakage.

m. Errors Or Omissions

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or
- (2) Processing or copying "valuable papers and records".

But if accidental direct physical loss results from fire or explosion, we will pay for that resulting loss unless the resulting loss is itself one of the losses not insured in **SECTION I** of this coverage form.

n. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

But if accidental direct physical loss results from fire or explosion, we will pay for that resulting loss unless the resulting loss is itself one of the losses not insured in **SECTION I** of this coverage form.

o. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic data". However, we will pay for accidental direct loss caused by lightning.

p. Continuous Or Repeated Seepage, Discharge Or Leakage Of Water

Continuous or repeated seepage, discharge or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

3. We do not insure under any coverage for any loss consisting of one or more of the items below. Further, we do not insure for loss described in Paragraphs 1. and 2. immediately above regardless of whether one or more of the following: (a) directly or indirectly cause, contribute to or aggravate the loss; or (b) occur before, at the same time, or after the loss or any other cause of the loss:

a. Weather Conditions

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. and 2. above to produce the loss.

b. Acts Or Decisions

Conduct, acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body whether intentional, wrongful, negligent or without fault.

c. Work

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property (including land, structures or improvement of any kind) on or off the described premises.

But if accidental direct physical loss results from items 3.a., 3.b., or 3.c., we will pay for that resulting loss unless the resulting loss is itself one of the losses not insured in SECTION I of this coverage form.

4. Additional Exclusion

The following applies only to the property specified in this Additional Exclusion.

Loss To Products

We will not pay for loss to any merchandise, goods or other product consisting of, caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the

product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause Of Loss, we will pay for the loss caused by that Covered Cause Of Loss.

SECTION I — EXTENSIONS OF COVERAGE

Subject to the terms and conditions applicable to SECTION I of this coverage form, the following Extensions Of Coverage apply separately to each premises described in the Declarations. But the amount of insurance provided on any one described premises will not be more than the Limit Of Insurance specified in each Extension Of Coverage if a limit is included in the extension.

1. Debris Removal

- a. Subject to Paragraphs c. and d., we will pay your expense to remove debris of Covered Property caused by a Covered Cause Of Loss that occurs during the policy period.

If a covered building or structure is damaged by one or more broken or fallen trees, in any one occurrence, we will pay up to \$500 for the removal of tree debris from each described premises.

The expenses will be paid only if they are reported to us in writing within 180 days of the date of accidental direct physical loss.

- b. Debris Removal does not apply to costs to:

- (1) Extract "pollutants" from land or water; or
- (2) Remove, restore or replace polluted land or water.

- c. Subject to the exceptions in Paragraph d. the following provisions apply:

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

- (2) Subject to Paragraph (1) 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 accidental direct physical loss to the Covered Property that has sustained loss.

- d. We will pay up to an additional \$10,000 for debris removal expense, for each described premises, in any one occurrence of accidental direct physical loss to Covered Property, if one or both of the following circumstances apply:

- (1) The total of the actual debris removal expense plus the amount we pay for accidental direct physical loss exceeds the Limit Of Insurance on the Covered Property that has sustained loss.

- (2) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for accidental direct physical loss to the Covered Property that has sustained loss.

Therefore, if Paragraphs **d.(1)** and/or **d.(2)** apply, our total payment for accidental direct physical loss and debris removal expense may reach but will never exceed the Limit Of Insurance on the Covered Property that has sustained loss, plus \$10,000.

2. Preservation Of Property

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

- a. While it is being moved or while temporarily stored at another location; and
- b. Only if the loss occurs within 30 days after the property is first moved.

The amount we pay under this Extension of Coverage will not increase the applicable Limit Of Insurance.

3. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause Of Loss, the most we will pay for loss in any one occurrence, at the described premises, is the Limit Of Insurance for Fire Department Service Charge shown in the Declarations for your liability for fire department charges:

- a. Assumed by contract or agreement prior to loss; or
- b. Required by local ordinance.

The amount that we pay under this Extension Of Coverage is an additional amount of insurance.

4. Collapse

- a. With respect to buildings:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building; and
- (4) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- b. We will pay for accidental direct physical loss to Covered Property, caused by collapse of a building or any part of a building that is insured under this coverage form or that contains Covered Property insured under this coverage form, if the collapse is caused by one or more of the following:

- (1) Any of the "specified causes of loss" or by breakage of building glass, all only as insured against in this coverage form;

- (2) Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (4) Weight of people or personal property;
- (5) Weight of rain that collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in Paragraphs (1) through (5), we will pay for the loss even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in Paragraphs **a.(1)** through **a.(4)** do not limit the coverage otherwise provided under this Extension Of Coverage for the causes of loss listed in Paragraphs **b.(1)**, **b.(4)**, and **b.(5)**.

- c. With respect to the following property:

- (1) Awnings;
- (2) Gutters and downspouts;
- (3) Yard fixtures;
- (4) Outdoor swimming pools;
- (5) Piers, wharves and docks;
- (6) Beach or diving platforms or appurtenances;
- (7) Retaining walls; and
- (8) Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in Paragraphs **b.(2)** through **b.(6)**, we will pay for loss to that property only if such loss is a direct result of the collapse of a building insured under this coverage form and the property is Covered Property under this coverage form.

- d. If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss to Covered Property caused by such collapse of personal property only if:
 - (1) The collapse of personal property was caused by a cause of loss listed in Paragraphs **b.(1)** through **b.(6)** of this Extension Of Coverage;
 - (2) The personal property which collapses is inside a building; and
 - (3) The property which collapses is not of a kind listed in Paragraph **c.** above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph d. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- e. The amount we pay under this Extension Of Coverage will not increase the applicable Limit Of Insurance.

5. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss caused by covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the covered building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

The amount we pay under this Extension Of Coverage will not increase the applicable Limit Of Insurance.

6. Pollutant Clean Up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by a Covered Cause Of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause Of Loss occurs.

This Extension Of 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.

The most we will pay for each described premises under this Extension Of Coverage is the Limit Of Insurance for Pollutant Clean Up And Removal shown in the Declarations. This limit is for the sum of all such expenses arising out of Covered Causes Of Loss occurring during each separate 12 month period of this policy.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

7. Money Orders And Counterfeit Money

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

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

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

The most we will pay for any loss in any one occurrence is the Limit Of Insurance for Money Orders And "Counterfeit Money" shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

8. Forgery Or Alteration

- a. We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

- b. If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", 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 in that defense.

- c. For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.

- d. The most we will pay for any loss, including legal expenses, in any one occurrence is the Limit Of Insurance for Forgery Or Alteration shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

9. Increased Cost Of Construction And Demolition Cost

- a. This Extension Of Coverage applies only to buildings insured on a replacement cost basis.

- b. In the event of damage by a Covered Cause Of Loss to a building that is Covered Property, we will pay the:

- (1) Increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property; and
- (2) Cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property;

subject to the limitations stated in Paragraphs c. through i. of this Extension Of Coverage.

- c. The ordinance or law referred to in this Extension Of Coverage is an ordinance or law that is in force at the time of loss and regulates the demolition, repair, rebuilding, or replacement of buildings or establishes zoning or land use requirements at the described premises, and is in force at:

- (1) The described premises; or
 - (2) Another premises, if such ordinance or law requires relocation.
- d. Under this Extension Of Coverage, we will not pay any costs due to an ordinance or law that:
- (1) You were required to comply with before the loss, even when the building was undamaged; and
 - (2) You failed to comply with.
- e. Under this Extension Of Coverage, we will not pay for:
- (1) The enforcement of any ordinance or law which requires demolition, repair, rebuilding, replacement, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, virus, bacteria or other microorganisms; or
 - (2) Any 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", "fungi", wet or dry rot, virus, bacteria or other microorganisms.
- f. The most we will pay under this Extension Of Coverage, for each described premises insured under **SECTION I — PROPERTY**, is the lesser of:

- (1) The amount you actually spend:
 - (a) For the increased cost to repair, rebuild or replace the building at the described or another premises in the same general vicinity if relocation is required by ordinance or law, but not more than a building of the same height, floor area, and style on the same or similar premises as the damaged building; and
 - (b) To demolish and clear the site of the undamaged parts of the building at the described premises caused by enforcement of any ordinance or law; or
- (2) The percentage for Increased Cost of Construction and Demolition Cost applied to the Limit Of Insurance applicable to that damaged building as shown in the Declarations.

If a damaged building is covered under a blanket Limit Of Insurance which applies to more than one building, then the most we will pay under this Extension Of Coverage is the amount determined by applying the percentage as shown in the Declarations to the risk amount shown in our records as of the most recent Declarations applicable to that damaged building.

The amount we pay under this Extension Of Coverage will not increase the applicable Limit Of Insurance.

g. With respect to this Extension Of Coverage:

- (1) We will not pay for the:
 - (a) Increased Cost Of Construction:
 - i. Until the property is actually repaired, rebuilt or replaced, at the described or another premises; and
 - ii. Unless the repairs, rebuilding or replacement are made as soon as reasonably possible after the loss, not to exceed two years. We may extend this period in writing during the two years.
 - (b) Loss of value for the undamaged portion of the building caused by enforcement of any ordinance or law.
 - (2) If the building is repaired, rebuilt or replaced at the described premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost Of Construction is the increased cost of construction at the described premises.
 - (3) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost Of Construction is the increased cost of construction at the new premises.
- h. This Extension Of Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Extension Of Coverage.
- i. The amount payable under this Extension Of Coverage, as stated in Paragraph f. of this Extension Of Coverage, is not subject to Paragraph e.(4)(a)iv. under Loss Payment of **SECTION I — CONDITIONS**.

10. Glass Expenses

If Covered Property is damaged by a Covered Cause Of Loss we will pay for expenses incurred to:

- a. Put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. Remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

The amount we pay under this Extension Of Coverage will not increase the applicable Limit Of Insurance.

11. Fire Extinguisher Systems Recharge Expense

- a. We will pay:
 - (1) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
 - (2) For loss to Covered Property if such loss is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

- b. No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- c. The most we will pay for loss in any one occurrence is the Limit Of Insurance for Fire Extinguisher Systems Recharge Expense shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

12. Newly Acquired Or Constructed Property

a. Buildings

If this coverage form covers Buildings, you may extend that insurance to apply to:

- (1) Your new buildings while being built on the described premises; and
- (2) Buildings you acquire not at the described premises, intended for:
 - (a) Similar use as the building at the described premises; or
 - (b) Use as a warehouse.

The most we will pay for loss under this Extension Of Coverage at each building, is the Limit Of Insurance for Newly Acquired Or Constructed Buildings shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

b. Business Personal Property

If this coverage form covers Business Personal Property, you may extend that insurance to apply to Business Personal Property:

- (1) Including such property that you newly acquire, at any premises you acquire; or
- (2) Including such property that you newly acquire, located at your newly constructed or acquired buildings at the described premises.

This Extension Of Coverage does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

The most we will pay for loss under this Extension Of Coverage at each building, is the Limit Of Insurance for Newly Acquired Business Personal Property shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

c. Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

13. Personal Property Off Premises

You may extend the insurance provided by this coverage form to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or at another premises. The most we will pay for loss in any one occurrence under this Extension Of Coverage is the Limit Of Insurance for Personal Property Off Premises shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

If the Covered Property is located at another premises you own, lease, operate, or regularly use, the insurance provided under this extension applies only if the loss occurs within 90 days after the property is first moved.

The Other Insurance Condition contained in **SECTION I AND SECTION II — COMMON POLICY CONDITIONS** does not apply to this Extension Of Coverage. The insurance provided under this Extension Of Coverage is primary and does not contribute with any other insurance.

14. Outdoor Property

You may extend the insurance provided by this coverage form to apply to your outdoor radio and television antennas (including satellite dishes), trees, shrubs, plants and lawns (other than trees, shrubs, plants or lawns held as "stock"). The loss must be caused by any of the following causes of loss:

- a. Fire;
- b. Lightning;
- c. Explosion;
- d. Riot or civil commotion;
- e. Aircraft or vehicles;
- f. Vandalism; or
- g. Theft.

The most we will pay for loss in any one occurrence, at the described premises, under this Extension Of Coverage is the Limit Of Insurance for Outdoor Property shown in the Declarations. But we will not pay more than \$1,000 for any one tree, shrub or plant.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

15. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your employees, your partners or members (if you are a partnership or joint venture), your "managers" or "members" (if you are a limited liability company), or your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company). This extension does not apply to:

- a. Tools or equipment used in your business; or
- b. Loss by theft.

The most we will pay for loss in any one occurrence, at the described premises, under this Extension Of Coverage is the Limit Of Insurance for Personal Effects shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

16. Valuable Papers And Records

- a. You may extend the insurance provided by this coverage form to apply to "valuable papers and records" that you own, or that are in your care, custody or control caused by a Covered Cause Of Loss. This Extension Of Coverage includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

- b. This Extension Of Coverage does not apply to:

- (1) Property held as samples or for delivery after sale; and
- (2) Property in storage away from the described premises.

- c. The most we will pay for loss to "valuable papers and records" in any one occurrence, at the described premises, under this Extension Of Coverage is the Limit Of Insurance for Valuable Papers And Records (On Premises) shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay for loss in any one occurrence under this Extension of Coverage is the Limit Of Insurance for Valuable Papers And Records (Off Premises) shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

- d. Loss to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

17. Accounts Receivable

- a. You may extend the insurance provided by this coverage form to apply to accounts receivable. We will pay:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from loss by any Covered Cause Of Loss to your records of accounts receivable.

- b. The most we will pay for loss in any one occurrence, at the described premises, under this Extension Of Coverage is the Limit Of Insurance for Accounts Receivable (On Premises) shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay for loss in any one occurrence under this Extension Of Coverage is the Limit Of Insurance for Accounts Receivable (Off Premises) shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

- c. The following exclusion applies to the Accounts Receivable Extension Of Coverage:

We will not pay for:

- (1) Loss caused by alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (2) Loss caused by bookkeeping, accounting or billing errors or omissions.

- (3) Any loss that requires any audit of records or any inventory computation to prove its factual existence.

18. Signs

You may extend the insurance provided by this coverage form to apply to signs attached to buildings (whether indoor or outdoor) at the described premises and to outdoor signs not attached to buildings at the described premises which are owned by you, or owned by others but are in your care, custody or control.

The most we will pay for loss in any one occurrence under this Extension Of Coverage is the Limit Of Insurance for Signs shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

19. Arson Reward

We will pay a reward for information which leads to an arson conviction in connection with a fire loss covered under this coverage form.

Regardless of the number of persons involved in providing information, the most we will pay for loss in any one occurrence under this Extension Of Coverage is the Limit Of Insurance for Arson Reward shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

20. Damage To Non-Owned Buildings From Theft, Burglary Or Robbery

You may extend the insurance that applies to Business Personal Property to apply to a building or part of a building, including equipment pertaining to the service of the building, occupied but not owned by you caused by actual or attempted theft, burglary or robbery.

This Extension Of Coverage does not apply to:

- a. Glass, other than glass building blocks;
- b. Any lettering or ornamentation; or
- c. Building property or equipment removed from the described premises.

The amount we pay under this Extension Of Coverage will not increase the applicable Limit Of Insurance.

21. Property Of Others

You may extend the insurance that applies to Business Personal Property to apply to personal property of others in your care, custody or control only while the personal property is located at the described premises. The most we will pay for loss in any one occurrence under this Extension Of Coverage is the Limit Of Insurance for Property Of Others shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

This Extension Of Coverage does not apply to:

- a. Personal effects owned by you, your employees, your partners or members (if you are a partnership or joint venture), your "managers" or "members" (if you are a limited liability company), or your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company); or
- b. Personal property of others that must be restored, repaired or replaced because your work was incorrectly performed on it.

The Other Insurance Condition contained in **SECTION I AND SECTION II — COMMON POLICY CONDITIONS** does not apply to this Extension Of Coverage. The insurance provided under this Extension Of Coverage is primary and does not contribute with any other insurance. We will decide if our payment for loss under this extension will be made to you or to the owner of the property.

22. Equipment Breakdown

- a. You may extend the insurance provided by this coverage form to apply for direct physical loss to Covered Property caused by an "accident" to "covered equipment". The most we will pay for each covered loss under this Extension Of Coverage is the Limit Of Insurance that applies to the Covered Property, unless a specific limit is stated in the Additional Coverages below.

The amount we pay under this Extension Of Coverage, or any Additional Coverage described below, will not increase the applicable Limit Of Insurance.

b. Equipment Breakdown Additional Coverage

- (1) **Expediting Expenses.** We will pay up to \$100,000 for the reasonable extra cost to:

- (a) Make temporary repairs to; and
- (b) Expedite permanent repairs or permanent replacement of;

Covered Property damaged by an "accident" to "covered equipment".

The amount we pay under this Expediting Expenses Additional Coverage will not increase the applicable Limit Of Insurance.

- (2) **Drying Out Expenses.** We will pay, up to the applicable Limit Of Insurance for **Coverage A — Buildings or Coverage B — Business Personal Property**, whichever applies, the direct expenses of drying out wetness in electrical "covered equipment" caused by one of the items listed in Paragraph 1.h. under **SECTION I — EXCLUSIONS**.

The amount we pay under this Drying Out Expenses Additional Coverage will not increase the applicable Limit Of Insurance.

The water damage exclusions found in Paragraph 1.h. under **SECTION I — EXCLUSIONS** do not apply to this Drying Out Expenses Additional Coverage.

- (3) **Spoilage.** We will pay up to \$100,000 for physical loss to "perishable goods" at the described premises due to:

- (a) Spoilage;
- (b) Contamination from the release of refrigerant, including but not limited to ammonia; or
- (c) Any necessary expenses you incur to reduce the amount of loss under this Spoilage Additional Coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this Spoilage Additional Coverage.

Such loss to "perishable goods" must be directly caused by an "accident" to "covered equipment".

The amount we pay under this Spoilage Additional Coverage will not increase the applicable Limit Of Insurance.

- (4) **Service Interruption**

- (a) If Loss Of Income And Extra Expense endorsement is shown in the Declarations, you may extend that insurance to apply to an "accident" to "utility service equipment".
- (b) You may extend the insurance provided in the Spoilage Additional Coverage above to apply to your loss, damage or expense caused by an "accident" to "utility service equipment".

(c) The coverage provided by this Service Interruption Additional Coverage will not apply unless the failure or disruption of service exceeds 24 hours in length, immediately following the "accident". However, once this waiting period is met, coverage will begin at the initial time of the failure or disruption of service.

The amount we pay under this Service Interruption Additional Coverage will not increase the applicable Limit Of Insurance.

(5) **Data Restoration.** We will pay up to \$100,000 for the reasonable and necessary cost to research, replace or restore "electronic data" which has been destroyed or corrupted by an "accident" to "covered equipment". To the extent that "electronic data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.

If Loss Of Income And Extra Expense endorsement is shown in the Declarations, you may extend that insurance to apply to an "accident" to "covered equipment" caused by an interruption of computer operations due to destruction or corruption of "electronic data". The amount we pay will be subject to the same \$100,000 limit of insurance.

The amount we pay under this Data Restoration Additional Coverage will not increase the applicable Limit Of Insurance.

c. **Hazardous Substances Limitation.** The most we will pay for the increased cost to repair or replace Covered Property and the increased cost to clean up or dispose of such property caused by "hazardous substance" contamination resulting from an "accident" to "covered equipment" is \$100,000. This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in Paragraph 22.b.(3)(b) above. For the purposes of this limitation, increased cost means costs beyond what would have been required had no "hazardous substance" been involved.

If Loss Of Income And Extra Expense endorsement is shown in the Declarations, any increased loss under such coverage caused by "hazardous substance" contamination to Covered Property resulting from an "accident" to "covered equipment" will be subject to and included in the same \$100,000 Limit Of Insurance. For the purposes of this limitation, increased loss means any loss or expense covered under Loss Of Income coverage beyond what would have been sustained or incurred had no "hazardous substance" been involved.

The amount we pay under this Hazardous Substance Limitation will not increase the applicable Limit Of Insurance.

d. **One Loss.** If an initial "accident" causes other "accidents", all will be considered one loss. All "accidents" that are the result of the same event will be considered one loss.

e. To the extent of any coverage provided under this Extension Of Coverage:

(1) Paragraph 9. under **Property Not Covered** is deleted.

(2) Paragraphs 1.a. and 1.b. under **Property Subject To Limitations** are deleted.

(3) Paragraph 1.f. of **SECTION I — EXCLUSIONS** is replaced by the following:

f. The failure of power or other utility service supplied to the described premises, if the failure occurs away from the described premises, except as provided in the Extensions of Coverage - Equipment Breakdown.

Failure includes lack of sufficient capacity and reduction in supply.

(4) Paragraphs 2.a. and 2.d. of **SECTION I — EXCLUSIONS** are deleted.

(5) Paragraph 2.I. of **SECTION I — EXCLUSIONS** is replaced by the following:

I. **Other Types Of Loss**

(1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

(6) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere, except as provided in the Equipment Breakdown Extension Of Coverage;

(b) Changes in or extremes of temperature, except as provided in the Equipment Breakdown Extension Of Coverage; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in Paragraphs (1) through (6) above results in direct physical loss to Covered Property by an "accident" to "covered equipment" we will pay for that resulting loss.

f. We will not pay under this Extension Of Coverage for loss caused by:

- (1) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
- (2) An insulation breakdown test of any type of electrical equipment.

g. If Loss Of Income And Extra Expense endorsement is shown in the Declarations, we will not pay for delay in resuming operations due to the need to reconstruct or re-input data or programs on electronic media and records, except as provided in this Equipment Breakdown Extension Of Coverage.

h. With respect to Service Interruption Additional Coverage above, we will not pay for an "accident" caused by: fire; lightning; windstorm or hail; explosion (except as specifically provided in Paragraph 1.c. of SECTION I — DEFINITIONS); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

i. **Additional Conditions**

- (1) **Suspension.** When any "covered equipment" is found to be in or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss to any property from an "accident" to that "covered equipment". We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or at the address where the equipment is located. Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.
- (2) **Jurisdictional Inspections.** If any property that is "covered equipment" under this Extension Of Coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.
- (3) **Environmental, Safety And Efficiency Improvements.** If "covered equipment" requires replacement due to an "accident", we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which actual cash value applies.

23. Ordinance Or Law – Equipment Coverage

a. Subject to Paragraph b. below, if a Covered Cause Of Loss occurs to equipment that is Covered

Property, we will pay to repair or replace the equipment as required by law.

b. If a Covered Cause Of Loss occurs to refrigeration equipment that is Covered Property, we will pay:

- (1) The cost to reclaim the refrigerant as required by law;
- (2) The cost to retrofit the 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
- (3) The increased cost to recharge the system with a non-CFC refrigerant.

The amount we pay under this Extension Of Coverage will not increase the applicable Limit Of Insurance.

c. We will not pay under this Extension Of Coverage 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", "fungi", wet or dry rot, virus, bacteria or other microorganisms.

d. Loss to the equipment will be determined as follows:

- (1) If the equipment is repaired or replaced, on the described or another premises, we will not pay more than the lesser of:
 - (a) The amount you actually spend to repair the equipment, but not for more than the amount it would cost to replace the equipment with equipment of the same kind and quality; or
 - (b) The Limit Of Insurance shown in the Declarations as applicable to the covered Building or Business Personal Property.
- (2) If the equipment is not repaired or replaced, we will not pay more than the lesser of:
 - (a) The actual cash value of the equipment at the time of loss; or
 - (b) The Limit Of Insurance shown in the Declarations as applicable to the Building or Business Personal Property.
- (3) 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 equipment was undamaged; and
 - (b) You failed to comply with.

e. This Extension Of Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Extension Of Coverage.