

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

**This endorsement is not complete without the attachment of the following form:**

**Causes of Loss Special Form**

**This endorsement modifies insurance under the following:**

**Building and Personal Property Coverage Form**

In consideration of an additional premium of \_\_\_\_\_, it is hereby understood and agreed that the following coverages are made part of this policy.

**A. Coverage**

1. Sub paragraph 2 "Property not covered" is replaced as follows:

Property Not Covered:

Covered Property does not include:

- (a) Aircraft, automobiles, motor trucks and other vehicles subject to motor vehicle registration;
- (b) Bullion;
- (c) Contraband, or property in the course of illegal transportation or trade;
- (d) Land (including land on which the property is located), water, growing crops or lawns;
- (e) Outdoor fences, radio or television antennas, including their lead-in wiring, masts or tower, trees, shrubs or plants, except as provided in the Coverage Extensions:
  - 1) Outdoor Property Coverage Extension;
- (f) Watercraft (including motors, equipment and accessories) while afloat.

**B. Automatic Coverages****1. Debris Removal**

- 1. 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. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
  - (a) The date of direct physical loss or damage; or
  - (b) The end of the policy period.
- 2. The most we will pay under this Automatic Coverage is 25% of:
  - (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
  - (b) The deductible in this policy applicable to that loss or damage.But this limitation does not apply to any additional debris removal limit provided in paragraph 4 below.
- 3. This Automatic Coverage does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water
- 4. If:
  - (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
  - (b) The debris removal expense exceeds the amount payable under the 25% Debris Removal coverage limitation in paragraph (2) above.We will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Automatic Coverage.

**2. Business Income & Extra Expenses**

- 1. We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet, caused by or resulting from any Covered Cause of Loss.
- 2. Business Income means the:
  - (i) Net Income (Net Profit or Loss before Income Taxes) that would have been earned or incurred; and
  - (ii) Continuing Normal Operating Expenses incurred, including payroll.
- 3. Also we will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet, caused by or resulting from a Covered Cause of Loss. However the most we will pay under this section is \$10,000 for any loss.  
Extra Expenses means expense incurred:

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- (1) To avoid or minimize the suspension of business and to continue "operations":
    - (a) At the described premises; or
    - (b) At replacement premises or at temporary locations; including:
      - (i) Relocation expenses; and
      - (ii) Costs to equip and operate the replacement or temporary locations.
  - (2) To minimize the suspension of business if you can not continue "operations";
  - (3) (a) To repair or replace any property; or
  - (b) To research, replace or restore the lost information on damaged valuable papers and records;
  - (4) To the extent it reduces the amount of loss that otherwise would have been payable under this Automatic Coverage or Business Income Automatic Coverage.
4. We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of Civil Authority that Prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any covered cause of loss. This coverage will apply for a period of up to two (2) consecutive weeks from the date of that action.
5. We will pay for the actual loss of Business Income you sustain due to direct physical loss or damage at the described premises caused by or resulting from any covered cause of loss to:
- (a) New Buildings or structures, whether complete or under construction.
  - (b) Alterations or Additions to existing buildings or structures, and
  - (c) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and
    - (1) Used in the construction, alterations or additions, or
    - (2) Incidental to the occupancy of new buildings.
- Payments under 3., 4. and 5. above will not increase the applicable limit of insurance.
6. We will only pay for loss of Business Income & Extra Expenses that occurs within 30 consecutive days with a maximum of \$500. per day after the date of direct physical loss or damage. \$15,000. is the most we will pay under this Automatic Coverage for any loss.
7. Definitions:
- "Operations" means your business activities occurring at the described premises.
- "Period of Restoration" means the period of time that:
- (a) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises, and
  - (b) Ends on the date when the property at the described premises is repaired, rebuilt or replaced with reasonable speed and similar quality.
  - (c) "Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
    - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
    - (2) 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".

**3. Off-Premises Power Failure (Direct Damage & Time Element)**

We will pay for loss of or damage to Covered Property and Business Income & Extra Expenses caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the described premises:

1. Water Supply Services, meaning the following types of property supplying water to the described premises:
  - (a) Pumping stations
  - (b) Water mains
2. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
  - (a) Communication transmission lines
  - (b) Coaxial cables
  - (c) Microwave radio relays except satellitesIt does not include overhead communication lines.
3. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
  - (a) Utility generating plants
  - (b) Switching stations
  - (c) Substations
  - (d) Transformers
  - (e) Transmission lines

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It does not include overhead transmission lines.

The most we will pay for loss or damage under this Automatic Coverage to:

- (1) Covered Property is \$1,000
- (2) Business Income and Extra Expenses is the limit of Business Income but never exceeding 20% of the Total Sum Insured. We will only pay for loss you sustain after the first 12 hours following direct physical loss or damage to the Off-Premises property to which this Automatic Coverage applies.

**4. Signs**

1. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
  - (a) Owned by you; or
  - (b) Owned by others but in your care, custody or control.
2. Covered Causes of Loss – Exclusions, do not apply to this Automatic Coverage, except for:
  - (a) Governmental Action
  - (b) Nuclear Hazard
  - (c) War and Military Action
3. We will not pay for loss or damage caused by or resulting from:
  - (a) Wear and tear
  - (b) Hidden or latent defect
  - (c) Rust
  - (d) Corrosion
  - (e) Mechanical Breakdown
4. The most we will pay for loss or damage under this Automatic Coverage in anyone occurrence is \$3,000.
5. The provisions of this Automatic Coverage supersede all other references to outdoor signs in this policy.

**5. Money and Securities**

1. We will pay for loss of money and securities used in your business while at a bank or savings institutions, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
    - (a) Theft, meaning any act of stealing.
  2. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
    - (a) Resulting from accounting or arithmetical errors or omissions.
    - (b) Due to the giving or surrendering of property in any exchange or purchase.
    - (c) Of property contained in any money-operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.
    - (d) Resulting from Acts of Employees, Directors, Trustees or Representatives: Loss resulting from any dishonest or criminal act committed by any of your “employees”, directors, trustees or authorized representatives:
      - (1) Acting alone or in collusion with other persons; or
      - (2) While performing services for you or otherwise.
    - (e) Of property after it has been transferred or surrendered to a person or place outside the “premises” or “banking premises”.
      - (1) On the basis of unauthorized instruction; or
      - (2) As a result of a threat to do:
        - i. Bodily harm to any person; or
        - ii. Damage to any property.
- But, this exclusion does not apply under Coverage, Section 2. To loss of Covered Property while outside the “premises” in the care and custody of a “messenger” if you:
- (1) Had no knowledge of any threat at the time the conveyance began; or
  - (2) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- (f) Resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.
3. The most we will pay for loss under this Automatic Coverage in anyone occurrence is:
    - (a) Inside the Premises \$1,000.
    - (b) Outside the Premises and while anywhere else, \$1,000.
  4. All loss,
    - (a) Caused by one or more persons, or

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- (b) Involving a single act or series of related acts,  
Is considered one occurrence.

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

**6. Valuable Papers & Records Coverage****1. Covered Property**

We will pay for loss or damage to your property or property of others in your care, custody or control:

Valuable Papers and Records, meaning inscribed, printed or written:

- (a) documents
- (b) manuscript
- (c) records, including abstracts, books, deeds, drawings and films, maps or mortgages.

But Valuable Papers and Records do not mean:

- (a) Money or Securities
- (b) Converted Data
- (c) Programs of instructions used in your data processing operations, including the materials on which the data is recorded.

**2. Covered Extensions****A. Removal:**

If you give us written notice within 10 days of removal of your valuable papers and records because of imminent danger of loss or damage, we will pay for loss or damage while it is:

- (a) At a safe place away from the described premises; or
- (b) Being taken to and returned from that place.
- (c) This Automatic Coverage is included within the Limits of Insurance applicable to the premises from which the Covered Property is removed.

**B. Costs of Research:**

We will extend the insurance that applies to Business Personal Property to apply to your costs to research, replace or restore the loss information on lost or which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Covered Extension is \$3,000. at each described premises not exceeding the limit of this Additional Coverage.

**3. Exclusions**

- (a) Property held as samples or for delivery after sale
- (b) Contraband or illegal property
- (c) Dishonest acts
- (d) Errors or omissions in processing or copying
- (e) Electrical or magnetic injury, disturbance or erasure of electronic recordings
- (f) Unauthorized instructions to transfer property to any person or to any place
- (g) Weather conditions
- (h) Faulty or inadequate or defective in designs, specifications, repair, renovation, remodeling, grading, compaction, maintenance or materials used in repair, construction, renovation or remodeling.

**4. Limits of Insurance**

The most we will pay for loss or damage under this Automatic Coverage in anyone occurrence is \$15,000.

**5. Additional Definitions****(1) "Money" means:**

- (a) Currency, coins and bank notes whether or not in current use; and
- (b) Travelers checks, register checks and money orders held for sale to the public.

**(2) "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:**

- (a) Tokens, tickets, revenue and other stamps whether or not in current use; and

Evidence of debt issued in connection with credit or charge cards, which are not of your own issue; but does not include "money"

**7. Accounts Receivable Coverage****1. Covered Property:**

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

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- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from direct physical loss or damage by any Covered Causes of Loss to your records of accounts receivable.
- 2. Coverage Extension
  - A. Removal:

If you give us written notice within (10) days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

    - (a) At a safe place away from the described premises;
    - (b) Being taken to and returned from that place.
- 3. Exclusions

We will not pay for loss or damage caused by or resulting from any of the following:

  - (a) Contraband or illegal property
  - (b) Dishonest acts
  - (c) 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.
  - (d) Bookkeeping, accounting or billing errors or omissions.
  - (e) Electrical or magnetic injury, disturbance or erasure of electronic recordings.
  - (f) Unauthorized instructions to transfer property to any person or to any place.
  - (g) Weather conditions.
  - (h) Faulty, inadequate or defective:
    - (1) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (2) Materials used in repair, construction, renovation or remodeling; or
    - (3) Maintenance
- 4. Limits of Insurance

The most we will pay for loss or damage under this Automatic Coverage in anyone occurrence is \$15,000.
- 5. Additional Conditions

The following is added to paragraph E.4.g of the Loss Payment Condition:

  - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
    - 1) 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) 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 amount of the accounts for which there is no loss or damage;
    - 2) The 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.

**8. Flood**

The Coverage of this policy is extended to include direct loss resulting from tidal wave or flood howsoever caused.

"Tidal wave": is understood to mean the sudden rise of the sea and the attendant action of the waves accompanying such abnormal rise produced by or directly attributable to a meteorological or seismic disturbance.

"Flood": Is understood to mean inundation caused by the bursting of dams or retaining walls of lakes and reservoirs; or by rivers, canals, aqueducts and sewers or similar formations overflowing their banks, but excluding water pipes mains or tanks in which water is normally contained.

However the most we will pay under this Automatic Coverage is \$3,000. for any loss.

**9. Employee Dishonesty**

- 1. We will pay for direct loss or damage to Business Personal Property, including money and securities, resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
  - a) Cause you to sustain loss or damage; and also
  - 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

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- 2) Any other person or organization.
2. We will not pay for loss or damage:
  - (a) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.
  - (b) That the only proof or evidence of which as to its existence or amount dependent:
    - 1) An inventory computation; or
    - 2) A profit and loss computation.
3. The most we will pay for loss or damage in any one occurrence is \$2,500.
4. All loss or damage caused by one or more persons or involving a single act or series of related acts is considered one occurrence.
5. We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remain in force or the number of premium paid, no Limit of Insurance cumulates from year or period to period.
6. This Coverage does not apply to any employee immediately upon discovery by:
  - (a) You, or
  - (b) Any of your partners, officers or directors not in collusion with the employee; of any dishonest act committed by that employee before or after being hired by you.
7. We will pay for covered loss or damage discovered no later than one year from the end of the Policy Period.
8. If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Automatic Coverage, provided:
  - (a) This coverage become effective at the time of cancellation or termination of the prior insurance; and
  - (b) The loss or damage would have been covered by this Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
9. The insurance under paragraph 8, above is part of, not in addition to the limit of insurance applying to this coverage and is limited to the lesser of the amount recoverable under:
  - (a) This coverage as of its effective date; or
  - (b) The prior insurance had it remained in effect.

**10. Automatic Increase**

The Limit of Insurance applicable to the building is automatically increased during the policy period by eight percent (8%). This percentage applies proportionally for each day of the policy.

**11. Spoilage**

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.
2. Property Not Covered  
Property located:
  - (a) On Buildings;
  - (b) In the open; or
  - (c) In vehicles
3. Covered Causes of Loss
  - (a) Breakdown or Contamination, meaning:
    - (1) Change in temperature or humidity resulting from mechanical breakdown or failure or 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.
4. Selling Price  
We will determine the value of finished "perishable stock" in the event of loss or damage at:
  - (1) Less discounts and expenses you otherwise would have had.
5. Paragraph B. EXCLUSIONS is replaced by the following:
  - A. Only the following EXCLUSIONS contained in Paragraph B.1, of the Exclusions are applicable to this Spoilage Coverage:
    1. Earth Movement;

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2. Government Action;
  3. Nuclear Hazard';
  4. War and Military Action; and
  5. Water
- B. The following EXCLUSIONS are added:
- We will not pay for loss or damage caused by or resulting from:
1. The disconnection of any refrigerating, cooling or humidity control system from the source of 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. The inability of an Electrical Utility company or other power source to provide sufficient power due to:
    - (a) Lack of fuel; or
    - (b) Government order.
  4. The inability of power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
  5. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.
- However, the most we will pay under this section will be \$10,000.00 for any one loss.