

PROPERTY ADDITIONAL COVERAGE ENDORSEMENT - 1

SCHEDULE OF PROPERTY COVERAGES AND LIMITS

Coverage	Limits of Insurance
Glass	Replacement Cost
Outdoor Signs	\$ 10,000
Employee Dishonesty	\$ 10,000
Personal Property - Off Premises	\$ 10,000
Personal Property of Others	\$ 10,000
Valuable Papers and Records	\$ 10,000
Accounts Receivable	\$ 10,000
Spoilage	\$ 10,000
Computers	\$ 10,000

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverages described in this endorsement during the policy period. This coverage is subject to the "terms" of this endorsement, the Common Policy Conditions, and the Property Coverage Section of this policy.

The "terms" and "limits" of this endorsement apply separately to each premises described on the "declarations" and for which a "limit" for Building or Business Personal Property is shown on the "declarations".

DEFINITIONS

The following are added:

1. "Electrical disturbance" means electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings.
2. "Hardware" means an assemblage of electronic machine components capable of accepting instructions and information,

processing the information according to the instructions, and producing desired results.

3. "Mechanical breakdown" means mechanical breakdown or malfunction, component failure, faulty installation, or blowout.
4. "Perishable stock" means personal property preserved and maintained under controlled conditions and susceptible to loss if the controlled conditions change.
5. "Power supply disturbance" means interruption of power supply, power surge, blackout, or brownout.
6. "Software" means:
 - a. processing, recording, or storage media used for electronic data processing operations. This includes films, tapes, cards, discs, drums, cartridges, or cells; and
 - b. data, information, and instructions stored on processing, recording, or storage media used for electronic data processing operations.
7. "Valuable papers and records" means written, printed, or otherwise inscribed documents and records. This includes books, maps, films, drawings, abstracts, deeds, mortgages, and manuscripts.

PROPERTY COVERAGES

1. **Glass** -- This endorsement includes the coverages found under Exterior Glass and Interior Glass of the Optional Property Coverages.
2. **Outdoor Signs** -- This endorsement includes the coverage found under Outdoor Signs of the Optional Property Coverages.
3. **Employee Dishonesty** -- This endorsement includes the coverage found under Employee Dishonesty of the Optional Property Coverages.
4. **Personal Property - Off Premises** -- This endorsement changes the Personal Property -- Off Premises "limit" found under the Extensions Of Coverage to the "limit" shown on the Schedule of this endorsement.
5. **Personal Property of Others** -- This endorsement changes the Personal Property of Others "limit" found under the Extensions of Coverage to the "limit" shown on the Schedule of this endorsement.
6. **Valuable Papers and Records** -- This coverage is subject to the provisions of the Property Coverage section of this policy, except as provided below:

- a. PROPERTY COVERED

Property Covered is deleted and replaced by the following with respect to this coverage:

"We" cover loss to "your" "valuable papers and records" caused by a covered peril while at the premises described on the "declarations". This includes similar property of others that is in "your" care, custody, or control.

- 1) Property Not Covered

The following property is not covered under this coverage:

- a) **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
- b) **Money and Securities** -- "We" do not cover food stamps, lottery tickets not held for sale, "money", or "securities".
- c) **Property That Cannot Be Replaced** -- "We" do not cover property that cannot be replaced with materials of like kind and quality.

- 2) Additional Coverages

"We" provide the following additional property coverages:

- a) **Removal** -- "We" cover loss to property covered under this endorsement while moved or being moved from the described premise for preservation from loss caused by a covered peril. "We" pay for any direct physical loss to that property. This coverage applies for up to ten days after the property is first moved.
- b) **Transit and Off-Premises Coverage** -- "We" cover direct physical loss to covered property caused by a covered peril while:
 - (1) in transit; or
 - (2) at a temporary location, not used for storage, that is not shown on the "declarations".

The most "we" pay under this coverage is \$2,500.

b. PERILS COVERED

Perils Covered is deleted and replaced by the following with respect to this coverage:

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

c. PERILS EXCLUDED and ADDITIONAL EXCLUSIONS

1) Of the exclusions contained in the Property Coverage section of this policy, only the following apply to this coverage:

- a) Civil Authority;
- b) Nuclear Hazard;
- c) War;
- d) Contamination or Deterioration;
- e) Criminal, Fraudulent, or Dishonest Acts;
- f) Voluntary Parting; and
- g) Wear and Tear.

2) The following exclusions are added with respect to this coverage:

"We" do not pay for loss or damage if one or more of the following exclusions apply to the loss:

- a) **Errors and Omissions** -- "We" do not pay for loss caused by errors or omissions in processing, duplicating, or copying. But if a fire or explosion results, "we" do cover the resulting loss.
- b) **Damage, Disturbance, or Erasure of Recordings** -- "We" do not pay for loss caused by electrical or magnetic damage, disturbance, or erasure of electronic recordings. However, "we" do pay for damage, disturbance, or erasure caused by lightning.

c) **Insects or Vermin** -- "We" do not pay for loss caused by insects or vermin.

d) **Loss of Use** -- "We" do not pay for loss caused by or resulting from loss of use, business interruption, delay, or loss of market.

d. VALUATION OF PROPERTY LOSSES

The Valuable Papers and Records provision found under Valuation of Property Losses is deleted and replaced by the following with respect to this coverage:

Valuable Papers and Records -- The valuation of "valuable papers and records", including those that exist on electronic or magnetic media, will be the lesser of the following:

- 1) the actual cash value of the property at the time of loss;
- 2) the cost of reasonably restoring the property to its condition prior to the loss; or
- 3) the cost of replacing the property with substantially identical property.

e. HOW MUCH WE PAY

The Deductible provision found under How Much We Pay is deleted and replaced by the following with respect to this coverage:

"We" will pay only that part of "your" loss over \$250 in any one occurrence.

7. **Accounts Receivable** -- This coverage is subject to the provisions of the Property Coverage Section of this policy, except as provided below:

a. PROPERTY COVERED

Property Covered is deleted and replaced by the following with respect to this coverage:

"We" cover loss to "your" accounts receivable records caused by a covered peril while at the premises described on the "declarations". This includes:

- 1) the sums that are due and that "you" cannot collect from "your" customers because of the loss;
- 2) the interest charges on a loan if that loan is used to offset those sums that cannot be collected pending "our" payment of those sums;
- 3) collection costs that result from the loss which are above "your" normal collection costs; and
- 4) the reasonable costs to reconstruct "your" accounts receivable records.

b. PERILS COVERED

Perils Covered is deleted and replaced by the following with respect to this coverage:

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

c. PERILS EXCLUDED and ADDITIONAL EXCLUSIONS

- 1) Of the exclusions contained in the Property Coverage section of this policy, only the following apply to this coverage:

- a) Civil Authority;
- b) Nuclear Hazard;
- c) War; and
- d) Voluntary Parting.

- 2) The following exclusions are added with respect to this coverage:

"We" do not pay for loss if one or more of the following exclusions apply to the loss:

- a) **Concealment** -- "We" do not pay for loss caused by the destruction, alteration, falsification, or concealment of "your" accounts receivable records that is done to conceal the illegal giving, taking, or withholding of money, securities, or other property.

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

- b) **Criminal, Fraudulent, or Dishonest Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts alone or in collusion with another by:

- (1) "you";
- (2) others who have an interest in the property;
- (3) others to whom "you" entrust the property;
- (4) "your" partners, officers, directors, trustees; or
- (5) the employees or agents of (1), (2), (3), or (4) above, whether or not they are at work.

"We" do pay for loss caused by dishonest acts by carriers or other bailees for hire.

- c) **Damage, Disturbance, or Erasure of Electronic Data** -- "We" do not pay for loss that results from electrical or magnetic damage, disturbance, or erasure of electronic data or records that is caused by:

- (1) erroneous programming or faulty equipment instructions;

- (2) faulty or inadequate installation or maintenance of data processing equipment; or
 - (3) electrical power supply disturbances including surges, blackouts, or brownouts if the cause of the disturbance took place more than 100 feet from the premise described on the "declarations".
- d) **Discrepancy** -- "We" do not pay for loss that results from a discrepancy that is discovered in "your" books or records if this is the only means to prove that a loss has occurred. If there is other evidence to prove that a loss has occurred, "you" may use the discrepancy to support "your" claim.
 - e) **Errors and Omissions** -- "We" do not pay for loss caused by bookkeeping, accounting, or billing errors or omissions.
 - f) **Loss of Use** -- "We" do not pay for loss caused by or resulting from loss of use, business interruption, delay, or loss of market.

d. HOW MUCH WE PAY

The Loss Settlement Terms found under How Much We Pay are deleted and replaced by the following with respect to this coverage:

Loss Settlement Terms -- Subject to paragraphs 1., 4., and 5. under How Much We Pay, "we" pay the lesser of:

- 1) the total sum of accounts receivable due. From this total "we" will deduct:

- a) all amounts due from the accounts receivable records that are not lost;
 - b) all amounts due that can be established by other means;
 - c) all amounts due that "you" have collected from the records that are lost;
 - d) all unearned interest and service charges; and
 - e) an amount to allow for bad debts;
- 2) the reasonable cost to reconstruct "your" accounts receivable records; or
 - 3) the "limit" shown on the Schedule of this endorsement.

If a loss occurs and "you" cannot establish the actual accounts receivable amount due, it will be determined as follows:

"We" will determine the total of the average monthly accounts receivable amounts for the 12 month period that directly precedes the month in which the loss occurred. "We" will adjust the total for any verifiable variance in the accounts receivable amount for the month in which the loss occurred.

e. OTHER PROPERTY COVERAGE CONDITIONS

The Recoveries condition found under Other Property Coverage Conditions is deleted and replaced by the following with respect to this coverage:

Recoveries -- All amounts that "you" receive on accounts receivable which "we" have paid for belong to "us". Amounts that "you" receive that are above the amount that "we" have paid will belong to "you".

8. **Spoilage** -- This coverage is subject to the provisions of the Property Coverage section of this policy, except as provided below:

a. **PROPERTY COVERED**

Property Covered is deleted and replaced by the following with respect to this coverage:

"We" cover loss to "your" "perishable stock" caused by a covered peril while at the premises described on the "declarations". This includes similar property of others that is in "your" care, custody, or control.

b. **PERILS COVERED**

Perils Covered is deleted and replaced by the following with respect to this coverage:

"We" cover loss to covered "perishable stock" caused by the following perils:

1) **Breakdown** -- This means a change in temperature or humidity resulting from:

- a) mechanical breakdown;
- b) malfunction; or
- c) failure

of the refrigeration system, or the equipment or apparatus controlling the refrigeration system, while at the described premises.

2) **Contamination** -- This means contamination by the refrigerant of the refrigeration system.

3) **Power Disruption** -- This means a change in temperature or humidity resulting from:

- a) complete or partial lack of electrical power; or

- b) fluctuation of electrical current due to conditions beyond "your" control.

c. **PERILS EXCLUDED and ADDITIONAL EXCLUSIONS**

1) Of the exclusions contained in the Property Coverage section of this policy, only the following apply to this coverage:

- a) Civil Authority;
- b) Earth Movement or Volcanic Eruption;
- c) Nuclear Hazard;
- d) War; and
- e) Water.

2) The following exclusions are added with respect to this coverage:

"We" do not pay for loss if one or more of the following exclusions apply to the loss:

a) **Disconnection or Deactivation** -- "We" do not pay for loss caused by the disconnection of the refrigeration system from the source of power or the deactivation of electrical power caused by turning off a switch or other device used to control the electrical current or power.

b) **Glass Breakage** -- "We" do not pay for loss caused by breakage of any glass that is a permanent part of the refrigeration system.

c) **Inability to Provide Sufficient Power** -- "We" do not pay for loss caused by:

- (1) the inability of an electrical utility company or other power source to provide sufficient power due to governmental order or lack of fuel; or

(2) the lack of generating capacity at the described premises to meet demand.

d) **Loss of Use** -- "We" do not pay for loss caused by or resulting from loss of use, business interruption, delay, or loss of market.

9. **Computers** -- This coverage is subject to the provisions of the Property Coverage Section of this policy, except as provided below:

a. **PROPERTY COVERED**

Property Covered is deleted and replaced by the following with respect to this coverage:

"We" cover direct physical loss to "your" "hardware" and "software" caused by a covered peril while at a premises described on the "declarations". This includes similar property of others that is in "your" care, custody, or control.

1) **Property Not Covered**

The following property is not covered under this coverage:

- a) **Accounts, Bills, or Documents** -- "We" do not cover accounts, bills, evidences of debt, records, abstracts, deeds, and manuscripts.
- b) **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
- c) **Loaned, Leased, or Rented to Others** -- "We" do not cover property that "you" loan, lease, or rent to others while the property is not at the premise described on the "declarations".

d) **Money and Securities** -- "We" do not cover food stamps, lottery tickets not held for sale, "money", or "securities".

2) **Additional Coverages**

"We" provide the following additional property coverages:

- a) **Disturbance** -- "We" cover loss to covered property caused by "electrical disturbance" and "power supply disturbance" if the cause of such disturbance took place within 500 feet of the premises where the loss occurred.
- b) **Removal** -- "We" cover loss to property covered under this endorsement while moved or being moved from the described premises for preservation from loss caused by a covered peril. "We" pay for any direct physical loss to that property. This coverage applies for up to ten days after the property is first moved.
- c) **Transit and Off-Premises Coverage** -- "We" cover direct physical loss to covered property caused by a covered peril while:
 - (1) in transit; or
 - (2) at a location that is not shown on the "declarations".

The most "we" pay under this coverage is \$2,500.

b. **PERILS COVERED**

Perils Covered is deleted and replaced by the following with respect to this coverage:

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

c. PERILS EXCLUDED and ADDITIONAL EXCLUSIONS

1) Of the exclusions contained in the Property Coverage section of this policy, only the following apply to this coverage:

- a) Civil Authority;
- b) Nuclear Hazard;
- c) War;
- d) Utility Failure;
- e) Criminal, Fraudulent, or Dishonest Acts; and
- f) Pollutants.

2) The following exclusions are added with respect to this coverage:

"We" do not pay for loss if one or more of the following exclusions apply to the loss:

- a) **Deterioration, Fault, or Weakness** -- "We" do not pay for loss caused by deterioration; decay; or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself. This exclusion does not apply to loss caused by "mechanical breakdown".
- b) **Loss of Use** -- "We" do not pay for loss caused by or resulting from loss of use, business interruption, delay, or loss of market.

c) **Temperature, Rust, Humidity, or Corrosion** -- "We" do not pay for loss caused by corrosion, rust, humidity, dampness, dryness, or changes in or extremes of temperature.

But "we" do pay for loss to covered property that results from a direct physical loss, caused by a covered peril, to the air conditioning system that services covered "hardware".

d) **Wear and Tear or Obsolescence** -- "We" do not pay for loss caused by wear and tear, depreciation, or obsolescence.

d. VALUATION OF PROPERTY LOSSES

The Pair or Set Provision is amended by adding the following:

However, this provision does not apply to "software" that comes in sets. If part of a "software" set cannot be replaced, the loss is considered a total loss of the set.

e. HOW MUCH WE PAY

In regard to this coverage, the Deductible provision is deleted and replaced by the following:

"We" will pay only that part of "your" loss over \$250 in any one occurrence.