

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IWA FABRICARE ADVANTAGE EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE OF COVERAGES

COVERAGE	LIMITS
Accounts Receivable Excess Debris Removal Fire Department Service Charge Fire Protection Equipment Recharge Valuable Papers And Records	\$250,000 Blanket This limit applies to one or any combination of these Additional Coverages per location as shown in the Declarations
Premises Boundary	Increased to 1,000 Feet
Extended Business Income	90 Days
Business Income From Dependent Properties	\$50,000
Forgery Or Alteration	\$25,000
Money Orders / Counterfeit Money	\$25,000
Employee Dishonesty	\$50,000
Preservation of Property	\$25,000
Pollutant Clean-Up	\$25,000
Reward Payment	\$50,000 for Arrest, \$25,000 for Return of Property
Brands or Labels	Business Personal Property Limit
Contract Penalty Clause	\$1,000
Identity Fraud Expense	\$15,000
Lease Assessment	\$2,500
Key Replacement and Lock Repair	\$2,500
Unauthorized Business Card Use	\$5,000
Utility Services – Direct Damage	\$25,000 per premises / \$100,000 per occurrence
Claim Data Expense	\$25,000
Ordinance or Law – Increased Cost of Construction	\$25,000
Fine Arts	\$25,000
Ordinance or Law – Undamaged Portion of Building	Included in Building Limit
Newly Acquired or Constructed Property	180 Days
Newly Acquired or Constructed Property – Building	\$1,000,000
Newly Acquired or Constructed Property – Business Personal Property	\$500,000

COVERAGE	LIMITS
Personal Property Off Premises	\$50,000
Outdoor Property	\$5,000 for any one tree, shrub or plant
Outdoor Signs	\$5,000
Personal Effects	\$25,000
Business Income and Extra Expense – Client or Virtual Office	\$25,000
Business Personal Property – Client or Virtual Office	\$25,000
Sales Persons Samples	\$25,000
Non-Owned Detached Trailers	\$25,000
Business Income and Extra Expense – Newly Acquired Premises	\$500,000
Ordinance or Law – Increased Period of Restoration	\$125,000
Computer and Funds Transfer Fraud	\$10,000
Leasehold Interest – Undamaged Improvements and Betterments	\$25,000
Deferred Payments	\$25,000
Business Income and Extra Expense – Property in Transit	\$25,000
Tenant Building Coverage – Required by Lease	\$50,000
Undamaged Parts of Stock in Process	\$25,000
Utility Services – Time Element	\$25,000
Back Up of Sewers, Drains and Sumps	\$30,000
Appurtenant Buildings and Structures	\$50,000

The **BUSINESSOWNERS COVERAGE FORM, SECTION I – PROPERTY** is modified as follows:

A. The following **Additional Coverage** is added to Paragraph **A.5.**:

Blanket Coverage Limit of Insurance

We will pay up to \$250,000 in any one occurrence as a Blanket Coverage Limit of Insurance for the sum of all covered loss at each described premises under the coverages described in Paragraphs **1.** through **5.** below.

You may apply this limit to one or any combination of these coverages, but under no circumstances will the aggregate apportionment be permitted to exceed the \$250,000 for any one location as shown in the Declarations.

Unless otherwise stated, this BLANKET ADDITIONAL COVERAGE limit is subject to the property deductible shown in the Declarations.

1. Accounts Receivable

Within the Blanket Coverage Limit of Insurance, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to your records of accounts receivable (including those on electronic data processing media) on or away from each described premises, including while in transit, caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.

This coverage applies as described in Paragraphs **A.6.f.(1)** and **A.6.f.(3)** and is subject to the provisions that apply to those Paragraphs.

2. Excess Debris Removal

- a. Within the Blanket Coverage Limit of Insurance, we will pay your expense to remove debris of Covered Property, other than outdoor trees, shrubs, plants and lawns as described in the Outdoor Property Coverage Extension, 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 date of direct physical loss or damage.
- b. Debris Removal does not apply to costs to:
 - (1) Remove debris of property of yours that is not insured under this policy or property in your possession that is not Covered Property;
 - (2) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy
 - (3) Remove any property that is Property not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (4) Remove property of others of a type that would not be Covered Property under this policy;
 - (5) Remove deposits of mud or earth from the grounds of the described premises;
 - (6) Extract "pollutants" from land or water; or
 - (7) Remove, restore, or replace polluted land or water.
 - (8) Notwithstanding **A.5.a.(4)** when the debris removal expense exceeds the 25% limitation in Additional Coverage **Debris Removal** in Paragraph **A.5.a.(3)** or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to the Blanket Coverage Limit of Insurance for debris removal expense in any one occurrence, at each described premises.

3. Fire Department Service Charge

Paragraph **A.5.c. Fire Department Service Charge** is replaced by the following:

c. Fire Department Service Charge

When the fire department is called to save, or protect Covered Property from a Covered Cause of Loss, we will pay your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No deductible applies to this Additional Coverage.

4. Fire Extinguishers System Expense

Paragraph **A.5.o. Fire Extinguisher Systems Recharge Expense** is replaced by the following:

o. Fire Extinguishers Systems Recharge Expense

(1) We will pay:

- (a) 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 within 1000 feet of the described premises; and
- (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

(2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.

5. Valuable Papers And Records

Within the Blanket Coverage Limit of Insurance, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to "valuable papers and records" that:

- a. You own; or
- b. Are owned by others, but in your care, custody or control;

caused by or resulting from a Covered Cause of Loss, including the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

This coverage applies as described in Paragraphs **A.6.e.(2)**, **A.6.e.(4)** and **A.6.e.(5)** and is subject to the provisions that apply to those Paragraphs.

With respect to property of others covered under this coverage, the owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

B. Throughout the Businessowners Coverage Form, references to the area within 100 feet of the building or within 100 feet of the premises described in the Declarations is replaced by 1,000 feet.

C. The following Additional Coverages under Paragraph **A.5.** are modified as follows:

1. With respect to **Extended Business Income**, the time frame referenced in Paragraph **A.5.f.(2)(a)(ii)** is increased from sixty consecutive days to ninety consecutive days.

2. As regards **Business Income From Dependent Properties**:

a. The limit in Paragraph **A.5.m.(1)** is increased to \$50,000.

b. In **A.5.m.(4)** the last sentence "The dependent property must be located in the coverage territory of this policy." is replaced by:

Applies to dependent property premises located anywhere in the world, except within any country on which the United States government has imposed sanctions, embargoes, or any similar prohibition.

3. Additional Coverages, **Forgery Or Alteration**, Paragraph **A.5.k.(4)** is replaced by:

(4) The most we will pay for any loss, including legal expenses under this Additional Coverage is \$25,000, unless a higher Limit of Insurance is shown in the Declarations.

4. In Additional Coverages, **Preservation Of Property**, Paragraph **A.5.b.(2)**, 30 days is replaced by 90 days.

5. The final paragraph of A.5.h. Pollutant Clean Up and Removal is replaced by the following:

Subject to a deductible of \$250, unless a higher deductible is shown in the Declarations, the most we will pay for each location under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Cause of Loss occurring during each separate 12 month period of this policy.

6. The final paragraph of A.5.j., Money Orders and "Counterfeit Money" is replaced by the following:

Subject to a deductible of \$250, unless a higher deductible is shown in the Declarations, the most we will pay for any loss under this additional coverage is \$25,000.

D. The following **Additional Coverages** are added to Paragraph **A.5.**

1. Reward Payment

a. We will reimburse you for rewards paid as follows:

(1) Up to \$50,000 per occurrence to an "eligible person" for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

(a) Replacement Cost of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or

(b) The amount determined by the loss settlement procedure applicable to the Covered Property.

(2) Up to \$25,000 per occurrence to an "eligible person" for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

(a) Replacement Cost based on the condition of the Covered Property at the time it is returned, but no more than the amount required to repair or replace it; or

(b) The amount determined by the loss settlement procedure applicable to the Covered Property returned.

b. This Additional Coverage applies subject to the following conditions:

(1) An "eligible person" means that person designated by a law enforcement agency as being the first to voluntarily provide the necessary information or return the stolen Covered Property, and who is not:

(a) You or any family member;

(b) Your employee or any of his or her family members;

(c) An employee of a law enforcement agency;

(d) An employee of a business engaged in property protection;

- (e) Any person who had custody of the Covered Property at the time the theft was committed; or
 - (f) Any person involved in the crime.
- (2) There will be no reimbursement for a reward paid unless and until the person(s) committing the crime is convicted or the Covered Property is returned.
 - (3) The amount of the reward is the most we will reimburse under this Additional Coverage for loss in any one occurrence.
 - (4) The insured must have posted public notice of the reward prior to the person having been the first to voluntarily provide the necessary information or return the stolen Covered Property.

2. Brands or Labels

If a limit of insurance is shown in the Declarations for Business Personal Property and if branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:

- a. Stamp the word *Salvage* on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- b. Remove the brands and labels, if doing so will not physically damage the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in Paragraphs a. and b. above.

Payments under this Additional Coverage are subject to and not in addition to the applicable Limits of Insurance.

3. Contract Penalty Clause

- a. We will pay contract penalties you incur because of your failure to deliver your products or services within the time required under the terms of a written contract. But this Additional Coverage only applies if the failure is solely due to direct physical loss of or damage to property at the described premises caused by or resulting from a Covered Cause of Loss.

- b. The most we will pay under this Additional Coverage is \$1,000 for the sum of all covered contract penalties arising out of all Covered Causes of Loss occurring during each separate 12-month period of this policy beginning with the effective date of this endorsement.

4. Identity Fraud Expense

- a. We will pay for Expenses incurred by an Insured Person as a direct result of any one Identity Fraud first discovered or learned of by such Insured Person during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an Insured Person, is considered to be one Identity Fraud, even if a series of acts continues into a subsequent policy period.

- b. With respect to this Additional Coverage:

(1) Expenses means:

- (a) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
- (b) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
- (c) Lost income resulting from:
 - (i) Time taken off work to complete fraud affidavits; or
 - (ii) Meeting with or talking to law enforcement agencies, credit agencies or legal counsel;

up to a total payment of \$5,000, subject to a maximum of \$200 per day;

- (d) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
- (e) Reasonable attorney fees to:
 - (i) Defend lawsuits brought against an Insured Person by merchants, vendors, suppliers, financial institutions or their collection agencies;

- (ii) Remove any criminal or civil judgments wrongly entered against an Insured Person; or
 - (iii) Challenge the accuracy or completeness of any information in a consumer credit report;
 - (iv) Charges for long distance telephone calls to:
 - i. Merchants;
 - ii. Law enforcement agencies;
 - iii. Financial institutions or similar credit grantors; or
 - iv. Credit agencies; or
 - (v) Reasonable fees for professional financial advice or professional credit advice.
- (2) Identity Fraud means:
The act of knowingly transferring or using, without lawful authority, a means of identification of an Insured Person with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law; and
- (3) Insured Person means:
- (a) For sole proprietorships;
The individual who is the sole proprietor of the Named Insured shown in the Declarations;
 - (b) For partnerships;
Any individual that is a partner of the Named Insured shown in the Declarations;
 - (c) For corporations or any other type of organization;
The Chief Executive Officer, and any individual who has an ownership interest of at least 20% of the Named Insured shown in the Declarations; or
 - (d) For religious institutions;
The individual who is the senior pastoral employee of the Named Insured shown in the Declarations.
- c. The following additional exclusions apply to this Additional Coverage:
We will not pay for:
- (1) Expenses incurred due to any fraudulent, dishonest or criminal act by:
 - (a) An Insured Person;
 - (b) Any person aiding or abetting an Insured Person; or
 - (c) Any authorized representative of an Insured Person;
whether acting alone or in collusion with others;
 - (2) Expenses incurred that are not related to the identity of an individual; or
 - (3) Loss other than Expenses. Account balances which arise out of fraudulent or unauthorized charges would be one example of Loss other than Expenses.
 - (4) An Identity Fraud discovered during such time that an individual was not an Insured Person.
- d. This Additional Coverage does not apply to Expenses otherwise covered under the **Unauthorized Business Card Use** Additional Coverage.
 - e. Regardless of the amount of the Businessowners Property Coverage Deductible shown in the Declarations, the most we will deduct from any claim for Expenses under this Additional Coverage for any one Identity Fraud is \$250.
 - f. The most we will pay under this Additional Coverage is \$15,000 for the sum of all covered Expenses arising out of all Identity Fraud against an Insured Person discovered during each separate 12-month period of this policy beginning with the effective date of this endorsement.
 - g. For coverage to be provided under this Additional Coverage, you must:
Send to us, within 60 days after our request, receipts, bills or other records that support your claim for Expenses under Identity Fraud coverage.
- 5. Lease Assessment**
- a. When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for your share of any assessment charged:
 - (1) To all tenants by the building owner;
 - (2) Pursuant to a written lease agreement; and
 - (3) As a result of direct physical loss or damage by a Covered Cause of Loss to building property you occupy.

- b. The most we will pay for loss under this Additional Coverage is \$2,500 in any one occurrence.

6. Key Replacement and Lock Repair

- a. We will pay for consequential loss to keys and locks if a master key to buildings, rooms or compartments that are Covered Property, or house Covered Property, at the described premises is lost or damaged from a Covered Cause of Loss. We will pay for the necessary costs you incur to:
 - (1) Replace keys; and
 - (2) Either:
 - (a) Readjust existing locks to accept new keys; or
 - (b) Replace existing locks, but only if necessary or less expensive than the cost of adjusting the existing locks.
- b. Paragraph **B.2.k.** does not apply to this Additional Coverage, except with respect to dishonest or criminal act by you or any of your partners, directors or trustees.
- c. The most we will pay for loss or damage under this Additional Coverage is \$2,500 at each described premises.

7. Unauthorized Business Credit Card Use

- a. We will pay for your loss of "money" or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge card accounts issued in your business name, including:
 - (1) Fund transfer cards;
 - (2) Charge plates; or
 - (3) Telephone cards.
- b. With respect to this Additional Coverage, occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.
- c. The most we will pay under this Additional Coverage in any one occurrence is \$5,000, regardless of the number of premises involved.

8. Utility Services – Direct Damage

- a. We will pay for loss of or damage to Covered Property caused by the interruption of services 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;
 - (2) Communication Supply Services; or
 - (3) Power Supply Services.
- b. The most we will pay for loss or damage under this Additional Coverage is \$25,000 at each described premises, but we will not pay more than \$100,000 in any one occurrence, regardless of the number of premises involved.
- c. Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

9. Claim Data Expense

- a. We will pay the reasonable expenses you incur in preparing claim data when we request such data to determine the extent of loss. This includes the cost of taking inventories, making appraisals, preparing income statements, and preparing other documentation.
- b. Under this Additional Coverage, we will not pay for:
 - (1) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters, or their associates or subsidiaries;
 - (2) Any costs in connection with Paragraph **E.2.** of the Businessowners Coverage Form; or
 - (3) Any expenses incurred, billed by, or payable to insurance brokers or agents, or their associates or subsidiaries.
- c. Regardless of the number of premises involved, the most we will pay for preparation of claim data under this Additional Coverage in any one occurrence is \$25,000.

10. Ordinance or Law

Paragraph **A.5.I.(6)** is replaced by:

The most we will pay under this additional coverage for each described building insured under Section I – Property, is \$25,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building is \$25,000.

11. Fine Arts

a. You may extend the insurance that applies to **A.1. Covered Property** within the Businessowners Coverage Form to apply to your Covered Property for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a Covered Cause of Loss.

b. When Fine Arts Applies:

If more than one coverage under this policy applies to property that has been damaged from one occurrence, you may choose only one of these coverages to apply to that loss. The most we will pay under this Additional Coverage is \$25,000 per occurrence, regardless of the number of pieces of fine art.

E. The following Additional Coverage is added, but only with respect to described premises to which no Ordinance or Law – Coverage A applies:

Ordinance Or Law – Coverage A – Coverage for Loss to the Undamaged Portion of the Building

1. If a Limit of Insurance is shown in the Declarations, in the event of damage by a Covered Cause of Loss we will pay for loss in value of the undamaged portion of the building because of enforcement of the minimum requirements of any ordinance or law that requires the demolition of undamaged parts of the same building.

2. The coverage provided by this Additional Coverage apply only if both **2.a.** and **2.b.** are satisfied and are then subject to the qualifications set forth in **3.**

a. The ordinance or Law:

(1) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(2) Is in force at the time of loss

Coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this Additional Coverage.

b. (1) The building sustains direct physical damage that is covered under this policy and such damage results in the enforcement of the ordinance or law: or

(2) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

(3) If the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has sustained covered direct physical damage.

3. In the situation described in **2.b.(2)** above, we will not pay the full amount of loss otherwise payable under the terms of this Additional Coverage. Rather, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this additional coverage.

4. We will not pay under this Additional Coverage for:

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

- b. 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 rot or dry rot.

5. Specific or Blanket Insurance

a. Specific Insurance

With respect to the building insured on a "specific Insurance" basis that has sustained covered direct physical damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building because of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building as described in paragraphs **6.b.(1)** and **6.b.(2)** below.

b. Blanket Insurance

With respect to the building insured on a "blanket insurance" basis that has sustained covered direct physical damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building because of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building as described in paragraphs **6.c.** and **6.d.** below.

- c. As used in this Additional Coverage, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, two buildings) under a single Limit of Insurance.
- d. This additional Coverage is included in the Limit of Insurance shown in the Declarations as applicable to the covered building. This Additional Coverage does not increase the Limit of Insurance.

6. Loss Payment

- a. The following loss payment provision is subject to the apportionment procedures set forth in Paragraphs **2.** and **3.** above.

- b. When there is a loss in value of an undamaged portion of a building to which this Additional Coverage applies, the loss payment for that building, including damaged and undamaged portions will be determined as follows:

Specific Insurance

- (1) If Replacement Cost coverage applies on a "specific insurance" basis and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- (a) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

- (2) If Replacement Cost coverage applies on a "specific insurance" basis and the property is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "specific insurance" basis to real property, we will not pay more than the lesser of:

- (a) The actual cash value of the building at the time of loss; or

- (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

c. Blanket Insurance

If Replacement Cost coverage applies on a "blanket insurance" basis and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- (1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- (2) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value of the covered building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:
- (a) The total reported building and structure value; by
 - (b) The proportion that the square footage of the individual building or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.
- d. If Replacement Cost coverage applies on a "blanket insurance" basis and the property is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "blanket insurance" basis to real property, we will not pay more than the lesser of:
- (1) The actual cash value of the building at the time of loss; or
 - (2) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value of the covered building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:
 - (a) The total reported building and structure value; by
 - (b) The proportion that the square footage of the individual building or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.
7. The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.
8. Under this Additional Coverage we will not pay for loss due to any ordinance or law that:
- a. You were required to comply with before the loss, even if the building was undamaged; and
 - b. You failed to comply with.
- F. The following Coverage Extensions under Paragraph A.6. are modified as follows:
- 1. Paragraph A.6.a.(3)(b) is deleted and replaced by:
 - (b) 180 days after you acquire the property or begin construction of that part of the building that would qualify as Covered Property; or
 - 2. The limit applicable to **Coverage Extensions, Newly Acquired or Constructed Property, (1) Buildings** is increased from \$250,000 to \$1,000,000.
 - 3. The limit applicable to **Coverage Extensions, Newly Acquired or Constructed Property, (2) Business Personal Property** is increased from \$100,000 to \$500,000.
 - 4. Under Paragraph A.6.b., **Personal Property Off-premises**, the limit of \$10,000 is increased to \$50,000.
 - 5. Under Paragraph A.6.c., **Outdoor Property**, the limit of \$1,000 for any one tree, shrub or plant is increased to \$5,000.
 - 6. Under Paragraph A.6.d., **Personal Effects**, the limit of \$2,500 is increased to \$25,000 at each described premises.
- G. The following **Coverage Extensions** are added to Paragraph A.6.:
- 1. **Business Income and Extra Expense at Client or Virtual Office Premises**
 - a. When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expenses you incur due to the suspension of your business activities occurring at a "client or virtual office premises" during the "period of restoration". The suspension must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at a "client or virtual office premises".
 - b. With respect to this coverage Extension, the "period of restoration" means the period of time that:

- (1) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the "client or virtual office premises", and
- (2) Ends the earlier of:
 - (a) The date when the property at the "client or virtual office premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (b) The date when "client or virtual office premises" is resumed at a new permanent location; and
- (3) Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants",

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

- c. This Coverage Extension applies to "client or virtual office premises" located within the Coverage Territory.
- d. The amount of your Business Income Loss, other than Extra Expense, will be reduced to the extent you can resume your business activities at a "client or virtual office premises" in whole or in part, by using any other available:
 - (1) Source of materials; or
 - (2) Outlet for your products.
- e. This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:
 - (1) At the premises of a dependent property;
 - (2) At any location to which the **Business Income and Extra Expense – Newly Acquired Premises** Coverage Extension applies; or
 - (3) In the due course of transit.

- f. The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000 regardless of the number of "client or virtual office premises" involved.
- g. Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

2. Business Personal Property at Client or Virtual Office Premises

- a. When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property caused by or resulting from a Covered Cause of Loss while such property is located at a "client or virtual office premises".
- b. This coverage Extension also applies to personal property that is:

- (1) Owned by an employee and
- (2) Used for your business;

While such property is located at a "client or virtual office premises" and sustains direct physical loss or damage caused by or resulting from a Covered Cause of Loss.

- c. This Coverage Extension does not apply to property:
 - (1) Otherwise covered under the following Additional Coverages:
 - (a) **Blanket Coverage Limit of Insurance, 1. Accounts Receivable;**
 - (b) **Blanket Coverage Limit of Insurance, 5. Valuable Papers And Records;** or
 - (c) **Fine Arts.**
 - (2) Otherwise covered under the following Coverage Extensions:
 - (a) **Accounts Receivable**
 - (b) **Personal Property Off-premises**
 - (c) **Sales Representatives Samples, or**
 - (d) **Valuable Papers And Records.**

- d. The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000 regardless of the number of "client or virtual office premises" involved.
- e. Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

3. Sales Persons Samples

- a. When a Limit of Insurance is shown in the Declarations for Business Personal Property, you may extend that insurance to apply to:

- (1) Samples of your "stock" in trade (including containers); and
- (2) Similar property of others;

While such property is in the custody of your sales representatives, or agents, or yourself while acting as a sales representative, including while in transit.

- b. We will not pay for loss or damage caused by theft of Covered Property from an unattended vehicle, unless at the time of the theft all the vehicles' doors, windows and compartments were closed and locked and there are visible signs of forced entry which resulted in the "theft".
- c. The most we will pay for loss or damage for property in the custody of any one sales representative in one occurrence is \$25,000

4. Non-Owned Detached Trailers

- a. When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to trailers or semi-trailers that you do not own, provided that:

- (1) The trailer or semi-trailer is used in your business;
- (2) The trailer or semi-trailer is in your care, custody or control at the described premises; and
- (3) You have a contractual responsibility to pay for loss of or damage to the trailer or semi-trailer.

- b. We will not pay for loss or damage that occurs:

- (1) While the trailer or semi-trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or

- (2) During hitching or unhitching operations, or when a trailer or semi-trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

- c. The most we will pay for loss or damage under this Coverage Extension is \$25,000 regardless of the number of described premises, trailers or semi-trailers involved.

- d. This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

5. Business Income and Extra Expense – Newly Acquired Premises

- a. When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of business income you sustain and reasonable and necessary Extra Expense you incur due to the suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at any premises you newly acquire by purchase or lease (other than at fairs, trade shows or exhibitions).

- b. The most we will pay for this Coverage Extension for the Business Income and Extra Expense you incur in any one occurrence is \$500,000 at each newly acquired premises.

- c. Insurance under this Coverage Extension for each newly acquired premises will end when any of the following first occurs:

- (1) This policy expires;
- (2) 90 days after you acquire that premises;
- (3) You report the premises to us; or
- (4) The Business Income or Extra Expense is more specifically insured.

We will charge you additional premium for premises reported from the date you acquire that premises.

- d. Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

6. Ordinance or Law – Increased Period of Restoration

- a. When a covered Cause of Loss occurs to property at the described premises and the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increased period of suspension of "operations" caused by or resulting from the enforcement of any ordinance or law that:
 - (1) Regulates the construction, repair or replacement of any property;
 - (2) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and
 - (3) Is in force at the time of loss.
- b. This Coverage Extension applies only to the period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum requirements of the ordinance or law.
- c. This coverage does not apply to:
 - (1) Loss due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even if the property was undamaged; and
 - (b) You failed to comply with; or
 - (2) Costs associated with the enforcement of any ordinance or law that requires an 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".
- d. Paragraph **B.1.a.** does not apply to this Coverage Extension.
- e. The most we will pay for loss under this Coverage Extension in any one occurrence is \$125,000 at each described premises
- f. Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

7. Computer and Funds Transfer Fraud

- a. When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to:
 - (1) Loss of or damage to Business Personal Property resulting directly from the use of any "computer" to fraudulently cause a transfer of that property from inside the building at the described premises or banking premises:
 - (a) To a person (other than a "messenger") outside those premises; or
 - (b) To a place outside those premises.
 - (2) Loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".
- b. With respect to the coverage provided by this Coverage Extension, Paragraph **B. Exclusions** is amended as follows:
 - (1) Paragraph **B.2.g.** does not apply
 - (2) The following exclusion is added:

We will not pay for loss or damage caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.
- c. With respect to this Coverage Extension, occurrence means an act or series of related acts involving one or more persons; or an act or event or a series of related acts or events not involving any person is considered one occurrence.
- d. The most we will pay under this Coverage Extension in any one occurrence is \$10,000, regardless of the number of premises involved.

8. Leasehold Interest Undamaged Improvements and Betterments

a. When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to your interest as a tenant in improvements and betterments, as defined in Paragraph **A.1.b.(3)** of the Businessowners Coverage Form, which are not damaged or destroyed, but which you lose due to the cancellation of your lease by your landlord. The cancellation of your lease by your landlord must:

- (1) Result from direct physical loss of or damage to property at the described premises where your improvements and betterments are located, caused by or resulting from a Covered Cause of Loss; and
- (2) Be permitted in accordance with the conditions of your written lease agreement.

b. The most we will pay in any one occurrence under this Coverage Extension is:

- (1) The Business Personal Property Limit of Insurances as shown in the Declarations; or
 - (2) \$25,000;
- whichever is less.

9. Deferred Payments

a. When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to your interest in such Business Personal Property that is sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan, when as a result of direct physical loss of or damage to such property:

- (1) Occurring within the Coverage Territory at any location, or in transit, after deliver to buyers; and
- (2) Caused by a Covered cause of loss; the buyer refuses to continue payments owed to you for such property and, thus, you repossess the remaining damaged property of value, if any.

b. The value of your loss under this Coverage Extension will be determined as follows:

- (1) In the event of partial loss to property, the value of your loss will be:

- (a) The unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due; minus

- (b) The actual cash value of the repossessed damaged property.

- (2) In the event of a total loss to property, the value of your loss will be the unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due.

c. The following is added to **A.2. Property Not Covered** but only as it pertains to this Coverage Extension.

Personal Property sold by you under an installment plan, conditional sale, trust agreement, or other deferred payment plan after delivery to the purchasers except as provided in the Deferred Payments Coverage Extension;

d. The most we will pay under this Coverage Extension for any one occurrence is \$25,000

10. Business Income and Extra Expense – Property In Transit

a. When the Declarations show you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss or damage by or resulting from a Covered Cause of Loss to Covered Property while in the due course of transit at your risk within the Coverage Territory.

b. This Coverage Extension does not apply to loss caused by or resulting from damage to:

- (1) Shipments by a government postal service, except by registered mail;

- (2) Export shipments once:

- (a) The shipment is loaded onboard the export conveyance; or

- (b) Coverage under an Ocean Marine or other insurance policy covering the shipment begins;

whichever is earlier.

- (3) Import shipments until:
 - (a) The shipment is unloaded from the importing conveyance; or
 - (b) Coverage under an Ocean Marine or other insurance policy covering the property ends; whichever is later;
 - (4) Property of others for which you are responsible while acting as a common or contract carrier, freight forwarder, freight consolidator, or freight broker or public warehouseman;
 - (5) Property within a conveyance or container cause by theft while the conveyance or container is unattended unless the portion of the conveyance or container containing the property is fully enclosed and securely locked, and there is visible evidence of forcible entry leading to the theft or
 - (6) The transporting conveyance.
- c. With respect to this Coverage Extension, the "period of restoration" definition under Paragraph **H. Property Definitions** is replaced by:

"Period of Restoration" means the period of time that:

- (1) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss in the due course of transit;
- (2) Ends on the date when the property in the due course of transit should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
- (3) Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

- d. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities in the due course of transit in whole or in part, by using any other available:
 - (1) Source of materials; or
 - (2) Outlet for your products.
- e. This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:
 - (1) At the premises of a dependent property;
 - (2) At any location to which the **Business Income and Extra Expense at Client or Virtual Office Premises** Coverage Extension applies; or
 - (3) At any location to which the **Business Income and Extra Expense – Newly Acquired Premises** Coverage Extension applies.
- f. The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000 regardless of the number of locations involved.
- g. Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

11. Tenant Building Coverage – Required by Lease

- a. If:
 - (1) You are a tenant;
 - (2) A Limit of Insurance is shown in the Declarations for Business Personal Property; and
 - (3) You are contractually obligated to repair or replace that part of a building you occupy as a tenant;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to that part of a building you occupy as a tenant caused by or resulting from a Covered Cause of Loss other than theft or attempted theft
- b. This Coverage Extension does not apply to any otherwise covered:
 - (1) Building glass; or
 - (2) Tenants improvements and betterments as described in Paragraph **A.1.b.(3)**.

- c. The most we will pay under this Coverage Extension is \$50,000 at each described premises in any one occurrence.

12. Undamaged Parts of Stock in Process

- a. When a Limit of Insurance is shown in the Declarations of Business Personal Property at the described premises, you may extend that insurance to apply to the reduction in value of the undamaged remaining parts of "stock" which becomes unmarketable when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock".
- b. The most we will pay under this Coverage Extension in any one occurrence is \$25,000.

13. Utility Services – Time Element

- a. When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the loss of Business Income or Extra Expense cause 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
 - (2) Communication Supply Services; or
 - (3) Power Supply Services.
- b. We will only pay for loss of Business Income you sustain and Extra Expense you incur AFTER 48 consecutive hours following the direct physical loss or damage to the following property not on the described premises:
 - (1) Water Supply Services,
 - (2) Communication Supply Services; or
 - (3) Power Supply Services

This Coverage Extension does not apply to any reduction of income after service has been restored to your premises.

- c. Paragraph **B.1.g.(3)** does not apply to this Coverage Extension.
- d. The most we will pay under this Coverage Extension in any one occurrence is \$25,000 regardless of the number of described premises involved. Amounts payable under any coverage, including any Additional Coverage or Coverage Extension, do not increase this limit.

14. Back Up of Sewers, Drains, and Sumps

- a. When the Declarations show that you have coverage for Building and Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.
- b. When the Declarations show that you have coverage for Business Income and Extra Expense, you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.
- c. Paragraph **B.1.g.(3)** does not apply to this Coverage Extension.
- d. The most we will pay under this Coverage Extension in any one occurrence is \$30,000, regardless of the number of described premises involved. Amounts payable under any coverage, including any Additional Coverage or Coverage Extension, do not increase this limit.

15. Appurtenant Buildings and Structures

- a. When a Limit of Insurance is shown in the Declarations for Building at the described premises, you may extend that insurance to apply to direct physical loss of or damage to incidental appurtenant buildings or structures within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.
- b. When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property within incidental appurtenant buildings or structures within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.
- c. Incidental appurtenant buildings or structures include:
 - (1) Storage Buildings;
 - (2) Carports;
 - (3) Garages;

- (4) Pump Houses; or
 - (5) Above ground tanks;
- which have not been specifically described in the Declarations.

- d. The most we will pay for loss or damage under this Coverage Extension in any one occurrence for any combination of loss of or damage to Building and Business Personal Property is \$50,000 regardless of the number of described premises involved.
- e. Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

H. The following is added to Paragraph E. Property Loss Conditions:

- 1. Pairs, sets, or parts:
 - a. In case of loss to any part of a pair or set we may at our option:
 - (1) Repair or replace any part to restore the pair or set before the loss; or
 - (2) Pay the difference between the value of the pair or set before and after the loss.
 - b. In case of loss to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

I. The following changes are applicable to Paragraph G. Optional Coverages:

- 1. Outdoor Signs

Paragraph G.1.d., is replaced by the following:

 - d. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Outdoor signs shown in the Declarations plus \$5,000. If no limit of insurance for Outdoor signs is shown in the Declarations, then the most we will pay is \$5,000.

A \$500 deductible applies unless a higher deductible is shown in the Declarations.
- 2. Employee Dishonesty (Including ERISA Compliance)

This Optional Coverage is amended as follows:

 - a. Paragraph G.3.c. is replaced with the following:

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations, plus \$25,000. This includes Employee Benefit Plans.

b. ERISA Compliance

The following is added to Paragraph G.3.j.:

In compliance with certain provisions of the Employee Retirement Income Security Act (ERISA):

- (1) Employee also includes any natural person who is:
 - (a) A trustee, an officer, employee, administrator, or a manager, except an administrator or a manager who is an independent contractor, of any Employee Welfare or Pension Benefit Plan (hereafter called Plan) insured under this insurance; and
 - (b) Your director or trustee while that person is handling funds or other property of any Plan insured under this insurance.
- (2) If any plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for Employee Dishonesty that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each plan were separately insured.
- (3) Any payment we make to you for "loss" sustained by any Plan will be held by that insured for the use and benefit of the plan(s) sustaining the loss.
- (4) If two or more Plans are insured under this insurance, any payment we make for "loss":
 - a. Sustained by two or more plans; or

- b. Of comingled funds or other property of two or more plans that arises out of one "occurrence" , is to be shared by each Plan sustaining "loss" in the proportion that the amount of insurance required for each such plan under ERISA provisions bears to the total of those amounts.
 - (5) Any Plan intended to benefit your employees is also considered an Insured, but only as it pertains to the Employee Dishonesty Coverage.
 - (6) The deductible provision does not apply to loss sustained by any Plan.
- 4. "Transfer Account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities".
 - a. By means of electronic, telegraphic, cable, teletype, or telephone instructions communicated directly through an electronic funds transfer system; or
 - b. By means of written instructions (other than those described in Paragraph A.5.k.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

J. The following definitions are added to Paragraph H. Property Definitions:

1. "Client or Virtual Office Premises" means the interior of that portion of any building occupied by an employee including:
 - a. An employee residence; or
 - b. A client's business location.

Client or virtual office premises does not include any location that is described in the Declarations or reported to us for coverage under this Coverage Form.
2. "Fraudulent Instructions" means:
 - a. An electronic, telegraphic, cable, teletype, or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent.
 - b. A written instruction (other than those described in Paragraph A.5.k.) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact, fraudulently issued without your knowledge or consent; or
 - c. An electronic telegraphic, cable, teletype, telephone or written instruction initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee knowledge or consent.
3. "Messenger" means you, or a relative of yours, or any of your partners or "members", or any employee while having care and customer of property outside the premises.