

## Property Coverage Extension Endorsement

This endorsement modifies insurance provided under the following:

ATTACHED TO AND FORMING A PART OF POLICY NO	ENDORSEMENT EFFECTIVE DATE (12:01am STANDARD TIME)	NAMED INSURED	AGENT NO.

(The above information is required unless it is mentioned in the policy declaration page)

### BUILDING AND PERSONAL PROPERTY COVERAGE PART

The Extensions and Special Coverages provided by this endorsement are added to the Building and Personal Property Coverage Part. They are subject to all the terms, exclusions, and conditions applicable to this policy, except where otherwise provided herein. Unless otherwise noted these Limits of Insurance apply per occurrence.

		<u>COVERAGE</u>	<u>LIMIT</u>		
1.	<input checked="" type="checkbox"/>	Accounts Receivable	\$10,000		
2.	<input checked="" type="checkbox"/>	Employee Dishonesty	\$2,500		
3.	<input checked="" type="checkbox"/>	Money & Securities	\$2,500		
4.	<input checked="" type="checkbox"/>	Outdoor Property (Fence, Radio/TV, Antennas/Satellite Dishes, Sign Only)	\$2,500		
5.	<input checked="" type="checkbox"/>	Outdoor Property (Trees, Shrubs or Plants)	\$2,500	each tree	\$2,500 aggregate
6.	<input checked="" type="checkbox"/>	Personal Effects and Property of Others	\$2,500	each item	\$2,500 aggregate
7.	<input checked="" type="checkbox"/>	Property in Transit	\$5,000		
8.	<input checked="" type="checkbox"/>	Property Off-Premises	\$10,000		
9.	<input checked="" type="checkbox"/>	Spoilage	\$2,500		
10.	<input checked="" type="checkbox"/>	Valuable Papers and Records (Other than Electronic Data)	\$10,000		

The coverage provided by this endorsement:

1. Applies to the described premise(s) listed on the Commercial Property Coverage Part Declarations;
2. Is not subject to coinsurance; and
3. The deductible shall be \$250 per coverage selected. The deductible applies to the limit of liability or the amount of the claim, whichever is less.

PREMIUM: (as included within Premium shown on the Declarations Page)

#### 1. Accounts Receivable

- a. If this policy covers Your Business Personal Property, this coverage extension extends that insurance to apply to accounts receivable. We will pay:
  - (1) All amounts due from your customers that you are unable to collect;
  - (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts
  - (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage;
  - (4) Other reasonable expenses that you incur to reestablish 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.
- b. Coverage does not apply to:
  - (1) Records of accounts receivable in storage away from the described premises; or
  - (2) Contraband, or property in the course of illegal transportation or trade.
- c. 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:
  - (1) At a safe place away from the described premises;
  - (2) Being taken to and returned from that place.

- d. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$10000.
- e. Section B. Exclusions of the CAUSES OF LOSS – SPECIAL FORM does not apply to this Accounts Receivable Coverage, except for:
  - (1) Paragraph B.1.c., Governmental Action
  - (2) Paragraph B.1.d., Nuclear Hazard;
  - (3) Paragraph B.1.f., War and Military Action;
  - (4) Paragraph B.2.h. which is deleted and replaced by the following:
- h. Dishonest or criminal act by you, anyone else with an interest in the property, any of your partners, “members”, officers, “managers”, “employees” (including leased “employees”), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or
  - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your “employees” (including leased “employees”); but theft by “employees” (including leased “employees”) is not covered;

  - (5) Paragraph B.2.i;
  - (6) Paragraph B.3; and
  - (7) The following additional exclusions are added and apply to this Account Receivable Extension:

We will not pay for:

- (a) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of “money”, “securities” or other property.  
This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- (b) Loss or damage caused by or resulting from booking, accounting or billing errors or omissions.
- (c) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
- (d) Loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
  - (i) Programming errors or faulty machine instructions;
  - (ii) Faulty installation or maintenance of data processing equipment or component parts;
  - (iii) An occurrence that took place more than 100 feet from the described premises; or
  - (iv) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 100 feet from the described premises.

But we will pay for direct loss or damage caused by lightning.
- (e) Delay, loss of use, loss or market or any other consequential loss.

## 2. Employee Dishonesty

- (a) We will pay for direct loss of or damage to Business Personal Property and “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:
  - (1) Cause you to sustain loss or damage: and also
  - (2) 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:
    - (i) Any “employee”, or
    - (ii) Any other person or organization
- (b) We will not pay for loss or damage:
  - (1) Resulting from any dishonest or criminal act that you, any of your partners, or any of your “members” commit whether acting alone or in collusion with other persons.
  - (2) The only proof of which as to its existence or amount is:
    - (a) An inventory computation; or
    - (b) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of loss claimed.
  - (3) Resulting from an “employee” of yours or predecessor in interest of yours, for whom similar prior insurance has been canceled and not reinstated since the last such cancellation.
  - (4) Resulting from trading, whether in your name or in a genuine or fictitious account.
  - (5) Resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

- (c) All loss or damage:
  - (1) Caused by one or more persons; or
  - (2) Involving a single act or series of related acts; is considered one occurrence.
- (d) The most we will pay, under this Employee Dishonesty Optional Coverage, for loss or damage regardless of the number of claims or occurrences is \$2500.
- (e) 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 remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (f) This Employee Dishonesty Optional Coverage does not apply to any "employee" immediately upon discovery by:
  - (1) You; or
  - (2) 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.
- (g) We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- (h) 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 Optional Coverage, provided:
  - (1) This Employee Dishonesty Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (2) The loss or damage would have been covered by this Employee Dishonesty Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (i) The insurance under Paragraph (h) above is part of, not in addition to, the Limit of Insurance applying to this Employee Dishonesty Optional Coverage and is limited to the lesser of the amount recoverable under:
  - (1) This Employee Dishonesty Optional Coverage as of its effective date; or
  - (2) The prior insurance had it remained in effect.

### 3. Money and Securities

- (a) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, at the described premises or in transit between any of these places, resulting directly from:
  - (1) "Theft"; (2) Disappearance; or (3) Destruction.
- (b) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
  - (1) Resulting from accounting or arithmetical errors or omissions;
  - (2) Due to the giving or surrendering of property in any exchange or purchase; or
  - (3) 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.
- (c) All loss or damage:
  - (1) Caused by one or more persons; or (2) Involving a single act or series of related acts; is considered one occurrence.
- (d) The most we will pay for under this Money and Securities Optional Coverage for loss or damage regardless of the number of claims or occurrences is \$2500.
- (e) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

### 4. Outdoor Property (Fences, Radio/Television Antennas/Satellite Dishes and Signs)

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes) and signs caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (a) Fire; (b) Lightning; (c) Explosion; (d) Riot or Civil Commotion; (e) Aircraft; (f) Windstorm; (g) Hail; (h) Smoke; (i) Vehicles; (j) Vandalism; (k) Breakage of glass; (l) Falling objects; (m) Weight of snow, ice or sleet; (n) Water damage; or (o) Collapse resulting from use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation.

The most we will pay for loss or damage for the property listed above under this Extension is \$2500.

These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence

## 5. Outdoor Property (Trees, Shrubs or Plants)

You may extend the insurance provided by this Coverage Form to apply to your trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are covered Causes of Loss:

(1) For trees, shrubs, or plants:

(a) Fire; (b) Lightning; (c) Explosion; (d) Riot or Civil Commotion; or (e) Aircraft;

The most we will pay for loss or damage for the property listed above under this Extension \$2500 more than \$2500 for any one tree, shrub or plant.

## 6. Personal Effects and Property of Others

Item (1) Paragraph b. Personal Effects and Property of Others is deleted and replaced by the following:

b. Personal Effects and Property of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal effects owned to you, your officers, your partners or "members", your "managers" or your "employees". This extension does not apply to loss or damage by theft.

(2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2500 at each described Premises listed in the Schedule, but not more than \$2500 for any one item of property.

Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

## 7. Property in Transit

Paragraphs b. and c. of 1. Property in Transit of Section F. Additional Coverage Extensions of the CAUSES OF LOSS – SPECIAL FORM are deleted and replaced with the following:

b. Loss or damage under this Coverage Extension must be caused by Covered Causes of Loss with the exception of the following limitation:

Loss or damage caused by theft is limited to theft of an entire bale, case, or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss or damage under this Extension is \$5000.

## 8. Property Off-Premises

Item (3) of Paragraph d. Property Off-Premises is deleted and replaced by the following:

(3) The most we will pay for loss or damage under this Extension is \$10000.

## 9. Spoilage

a. If this policy covers Your Business Personal Property, this coverage extension extends that insurance to apply to "perishable stock" at the described premises owned by you or by others that is in your care, custody and control but only for the following Covered Causes of Loss:

(1) Breakdown or Contamination, meaning:

(a) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises;  
and

(b) Contamination by the refrigerant.

(2) 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.

The above Causes of Loss listed under (1) and (2) above apply only to this Spoilage Coverage Extension.

b. Section B. Exclusions of the CAUSES OF LOSS - SPECIAL FORM does not apply to this Spoilage Coverage Extension, except for:

- (1) Paragraph B.1.b. Earth Movement;
- (2) Paragraph B.1.c. Governmental Action;
- (3) Paragraph B.1.d. Nuclear Hazard;
- (4) Paragraph B.1.f. War and Military Action; and
- (5) Paragraph B.1.g. Water

c. The following additional exclusions are added and apply to this Spoilage Coverage Extension:

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 of 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) Governmental order.
- (4) The inability of a 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.
- (6) Property located: (i) On buildings; (ii) In the open; or (iii) In vehicles.
- d. The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$2500.
- e. **REFRIGERATION MAINTENANCE AGREEMENTS**  
 You must maintain a refrigeration maintenance or service agreement. If you terminate this agreement and do not notify us, the insurance provided by this Coverage Extension will be automatically suspended at the involved location.

**10. Valuable Papers and Records (Other than Electronic Data)**

Item (5) Paragraph c. Valuable Papers and Records (Other Than Electronic Data), item (4) is deleted and replaced by the following:

- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$10000 at each described premises. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**The following Commercial Property Conditions of the CP 0090 endorsement are added as follows:**

- J. **JOINT INSURED**
  - (1) If more than one insured is named in the Declarations, the first named insured will act for itself and for every other insured for all purposes of this insurance. If the first named insured ceases to be covered, then the next named insured will become the first named insured.
  - (2) If any insured or partner or officer of that insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every insured.
  - (3) An "employee" of any insured is considered to be an "employee" of every insured.
  - (4) If this insurance or any of its coverages is canceled or terminated as to any insured, loss sustained by that insured is covered only if discovered no later than one year from the date of that cancellation or termination.
  - (5) We will not pay more for loss sustained by more than one insured than the amount we would pay if all the loss had been sustained by one insured.
- K. **OWNERSHIP OF PROPERTY; INTEREST COVERED**  
 The property covered under this insurance is limited to property: (1) That you own or hold; or (2) For which you are legally liable.

**The following Commercial Property Conditions of the CP 0090 endorsement are amended as follows:**

- a. Condition C. **INSURANCE UNDER TWO OR MORE COVERAGES** is deleted and replaced by the following:
  - C. **INSURANCE UNDER TWO OR MORE COVERAGES**  
 If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:
    - (1) The actual amount of the loss; or
    - (2) The sum of the limits of insurance applicable to those coverages.
- b. Condition D. **LEGAL ACTION AGAINST US** is deleted and replaced by the following:
  - D. **LEGAL ACTION AGAINST US**  
 No suit shall be brought upon this insurance unless the assured has complied with all the provisions of this insurance and has commenced suit within twelve months after the loss occurs; provided, however, that the foregoing limitation shall be extended by a period equal to the number of days between the date the proof of loss was filed by the assured in the form required by this insurance and the date the assured's claim was denied on whole or in part.
- c. Condition G. **OTHER INSURANCE** is deleted and replaced by the following:
  - G. **OTHER INSURANCE**  
 If the insured has insurance provided by other insurers against a loss covered by this insurance, the Underwriters shall not be liable under this insurance for a greater proportion of such loss and claims expenses than the applicable limit of liability stated in the declarations bears to the total applicable limit of liability of all valid and collectible insurance against such loss, provided however that if the insured has insurance provided by other insurers whose insurance is stated as excess over any other insurance available to the insured, this insurance shall also apply solely in excess of such insurance, unless such other insurance is written as specific excess over the limit of liability of this insurance.

d. Condition I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US is deleted and replaced by the following:

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

1. If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But;
2. You may waive your rights against another party in writing:
  - a. Prior to a loss to your Covered Property or Covered Income.
  - b. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
    - (a) Someone insured by this insurance:
    - (b) A business firm:
      - (1) Owned or controlled by you; or
      - (2) That owns or controls you; or
    - (c) Your tenant.

This will not restrict your insurance. However, Item 2. above does not apply to the Employee Dishonesty and Money and Securities Optional coverages.

The following is added to 4. Loss Payment under E. Loss Conditions of the Building and Personal Property Coverage Form and applies only to the Employee Dishonesty and Money and Securities Optional Coverage Provisions.

1. Subject to the applicable Optional Coverage we will pay for:
  - a. Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America;
    - (1) At face value in the "money" issued by the country; or
    - (2) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
  - b. Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
    - (1) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in those "securities".
    - (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of those "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
      - (a) Value of the "securities" at the close of business on the day the loss was discovered; or
      - (b) Limit of Insurance
2. We may at our option pay for loss of, or loss from damage to, property other than "money":
  - a. In the "money" of the country in which the loss occurred; or
  - b. In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
3. Any property that we pay for or replace becomes our property.

The following is added to 4. Loss Payment under E. Loss Conditions of the Building and Personal Property Coverage Form and applies only to the Accounts Receivable Coverage Extension:

1. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
  - a. We will 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
  - b. We will 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.
2. The following will be deducted from the total amount of accounts receivable, however that amount is established:
  - a. The amount of the accounts for which there is no loss or damage;
  - b. The amount of the accounts that you are able to re-establish or collect;
  - c. An amount to allow for probable bad debts that you are normally unable to collect; and
  - d. All unearned interest and service charges.

The following definitions are added and applicable to the coverage provided by this endorsement:

1. "Employee(s)" means:
  - a. Any natural person:
    - (1) While in your service (and for 30 days after termination of service);
    - (2) Who you compensate directly by salary, wages or commissions; and
    - (3) Whom you have the right to direct and control while performing services for you; or

- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside premises.

But “employee” does not mean any:

- (a) Agent, broker, factor, commission, merchant, consignee, independent contractor or representative of the same general character; or
- (b) Director or trustee except while performing acts coming within the scope of the usual duties of any “employee”.

- 2. “Manager(s)” means a person serving in a directorial capacity.
- 3. “Member(s)” means an owner of a limited liability company represented by its membership interest, who also may serve as a “manager”.
- 4. “Money” means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Traveler’s checks, register checks and money orders held for sale to the public.
- 5. “Perishable stock” means personal property:
  - a. Maintained under controlled conditions for its preservation; and
  - b. Susceptible to loss or damage if the controlled conditions change.
- 6. “Securities” means negotiable and non-negotiable instruments or contracts representing either “money” or other property includes:
  - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; But does not include “money”.
- 7. “Theft” means any act of stealing except by an “employee”, director, officer, trustee or representative.

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(Ed. 10-12)