



ADDITIONAL EXPENSE

Refer to the Declarations if information is not shown on this form.

The coverage under this endorsement is subject to the **terms** contained in **your** policy.

SCHEDULE

Location Number	Building Number	Applicable Causes of Loss Form	Amount of Insurance
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DEFINITIONS

The following definitions apply to this policy form:

1. **Additional expense** means expenses **you** incur during the **period of restoration** in order to minimize or avoid a partial or full cessation of **your business** that are necessary to continue **your** operations, either at the **insured premises** or at a temporary location, including expenses to relocate and equip the temporary premises.
2. **Period of restoration**:
 - a. Means the time period that commences immediately at the time when accidental direct physical loss or damage to covered property results from a covered cause of loss at the **insured premises**.
 - b. Ends at the earliest of:
 - 1) The date when the loss or damage at the **insured premises** should be repaired, rebuilt or replaced with reasonable speed with like kind and quality materials; or
 - 2) The date when **business** is resumed at a new permanent location.
 - c. Does not include the increased time necessary due to any ordinance or law being enforced.

WHAT WE PAY FOR

1. **We** pay for necessary **additional expense** during the **period of restoration**, which **you** incur to continue **your business** as usual had no accidental direct physical loss or damage occurred to property at the **insured premises**. The loss or damage must result from a covered cause of loss. **You** must do everything reasonable to reduce the amount of loss. **You** must do everything reasonable to resume operations with the same quality of service which existed immediately before the loss; and **you** must resume partial or complete operation of the property making use of merchandise, **stock** or other property at **your** other locations.
2. **We** will pay up to:
 - a. 40% of the Amount of Insurance when the **period of restoration** is less than 30 days;
 - b. 80% of the Amount of Insurance when the **period of restoration** is 30 to 59 days; or
 - c. 100% of the Amount of Insurance when the **period of restoration** is 60 days or more.

EXAMPLE

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|---|-----------|
| a. The Amount of Insurance | \$100,000 |
| b. The <i>period of restoration</i> | 45 days |
| c. The amount of <i>additional expense</i> incurred | \$90,000 |

In this example, *we* will not pay more than \$100,000 times 80% (the percentage applicable for a *period of restoration* of 30-59 days), or \$80,000. The remaining \$10,000 is not covered.

3. *We* will deduct the following from the total of *additional expense*:
 - a. The salvage value that remains of any property bought for temporary use during the *period of restoration*, once operations are resumed; and
 - b. Any *additional expense* that is paid for by any other insurance, except for insurance that is written subject to the same plan, *terms* conditions and provisions as this insurance.

Payments under *Additional Expense* coverage may extend beyond the end of the policy period.

The Coinsurance provision in the General Policy Provisions and the applicable deductible stated in the Declarations do not apply to the coverage provided by this endorsement.

ADDITIONAL COVERAGES

These Additional Coverages do not increase the Amount of Insurance available for *Additional Expense* coverage.

1. **New Construction And Alterations-***We* pay for *additional expense* when *you* incur accidental direct physical loss or damage resulting from a covered cause of loss to:
 - a. *Your* new buildings or structures when being constructed at the *insured premises*;
 - b. Alterations or additions to existing buildings or structures at the *insured premises*; and
 - c. Machinery, equipment, supplies or building materials located on or within 100 feet of the *insured premises* used in the construction, alterations or additions or that are incidental to the occupancy of new buildings or structures.
2. **Civil Authority-***We* pay for *additional expense* when access to *your* place of *business* is prohibited by civil authority as a result of accidental direct physical loss or damage from a covered cause of loss to property at other than the *insured premises*, provided that:
 - a. Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the *insured premises* are within that area but are not more than one mile from the damaged property; and
 - b. The action by civil authority is taken in response to dangerous physical conditions that resulted from a covered cause of loss or to enable civil authority to have access to the damaged property.

Additional Expense coverage for Civil Authority commences 72 hours after the first notice that a decision by civil authority to prohibit access to the *insured premises* has taken place.

Additional Expense coverage for Civil Authority ends at the earlier of six consecutive weeks from when coverage commences, or when the action prohibiting access to the *insured premises* ends.

3. **Electronic Data-** *We* pay up to \$2,500 for *additional expense* due to accidental direct physical loss or damage to *electronic data* resulting from a covered cause of loss.

WHAT WE DO NOT PAY FOR

We do not pay for:

1. *Additional expense* resulting from the enforcement of building ordinance or law;
2. *Additional expense* due to interference by strikers or other people with the restoration or replacement of property, or with the resumption or continuation of *your business*;
3. *Additional expense* caused by the suspension, lapse or cancellation of any lease, license, contract or order; or
4. Claims for any other type of consequential loss.

All other *terms* and conditions remain unchanged.