



BUSINESSOWNERS EXTENDER ENDORSEMENT Endorsement #3

WHAT WE COVER

In addition to any property or liability coverage otherwise provided by *your* policy, *we* provide the coverages shown in this policy form. These coverages are subject to the *terms* contained in the General Policy Provisions and the Causes of Loss form(s) of *your* policy. In the event of a conflict between the provisions contained elsewhere in *your* policy and this policy form, the provisions of this policy form will prevail.

Unless otherwise stated in this policy form, the coverages provided in this policy form are additional insurance.

The amount *we* pay for any one covered property loss will not exceed the amount of insurance specified for that loss by this policy.

Unless otherwise stated in this policy form, a \$500 deductible applies to the property coverages contained in this policy form. If more than one deductible contained in *your* policy is applicable to the loss, then the highest of any applicable deductible will prevail.

The following property coverages apply to this policy form:

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| A. Accounts Receivable | H. Demolition |
| B. <i>Additional Expense</i> | I. <i>Employee Dishonesty</i> |
| C. Backup, Discharge Or Overflow | J. Exterior Signs |
| D. <i>Business</i> Credit Card, Debit Card, Forgery And Counterfeit <i>Money</i> | K. <i>Money And Securities</i> |
| E. <i>Business</i> Property At Newly Acquired Or Constructed Locations | L. Outdoor Property |
| F. <i>Business</i> Property Of Others And Customer Goods | M. Personal Articles |
| G. Debris Removal | N. Property In Transit |
| | O. <i>Refrigerated Property</i> |
| | P. Signs Away From The <i>Insured Premises</i> |
| | Q. Valuable Papers And Records |

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. *Dependent property* means a property *you* do not own, however, *you* depend on:
 - a. To deliver materials or services to *you* or others for *your* account;
 - b. To accept *your* products or services;
 - c. To manufacture *your* products for delivery to *your* customers; or
 - d. To attract customers to *your business*.

Dependent property does not include communication or utility services on which *you* depend to run *your business*.
3. *Loss of income* means the income *your business* could reasonably be expected to have earned during the *period of restoration* if no covered property loss had occurred less any income *your business* actually earned. *Loss of income* does not include charges and expenses which do not necessarily continue during the time of interruption. Coverage also applies to expenses *you* incur to reduce *loss of income*, however, only to the extent that they actually reduce *your loss of income*.

4. *Period of restoration*:

- a. Means the time period that commences:
 - 1) For **Loss Of Income** coverage, 72 hours from the time when accidental direct physical loss or damage to covered property results from a covered cause of loss at the **insured premises**; or
 - 2) For **Additional Expense** coverage, 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) For **Loss Of Income** coverage:
 - a) 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;
 - b) The date when **business** is resumed at a new permanent location; or
 - c) The length of time **you** have **Loss Of Income** coverage as stated in the Declarations.
 - 2) For **Additional Expense** coverage:
 - a) 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
 - b) 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.
5. **Refrigeration breakdown** means a change in temperature or humidity from the failure of a refrigerating unit.
 6. **Refrigeration power failure** means a change in temperature or humidity of a refrigerating unit resulting from partial or complete lack of electrical power, either on or off the **insured premises** that is beyond **your** control.
 7. **Refrigerated property** means perishable **stock** maintained under controlled refrigerated conditions to preserve it and which is susceptible to spoilage if the controlled refrigerated conditions change.

PROPERTY COVERAGES

A. ACCOUNTS RECEIVABLE

1. WHAT WE PAY FOR

We pay up to \$2,000 for accidental direct physical loss or damage to **your** records of accounts receivable on the **insured premises** resulting from a covered cause of loss.

We pay for:

- a. Any amounts due to **you** from **your** customers that **you** are unable to collect;
- b. Interest charges on any loan **you** are required to take out to offset an amount of accounts receivable **you** are unable to collect;
- c. Excess collection expenses that become reasonable and necessary as a result of direct loss or damage to **your** accounts receivable; and
- d. Any other reasonable expenses **you** incur to recreate **your** accounts receivable records.

2. WHAT WE DO NOT PAY FOR

We do not pay for:

- a. Loss due to bookkeeping, accounting, billing errors or omissions;
- b. Loss for which the proof is solely dependent upon an audit of records or an inventory computation. This will not prevent the use of such procedures in support of a claim for loss which the **insured** can prove, through evidence wholly apart from an audit of records or an inventory;
- c. Loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of **money, securities** or other property, however, only to the extent of such wrongful giving, taking, obtaining or withholding;
- d. Loss for probable bad debts which would normally have been uncollectible by the **insured**;
- e. Loss for unearned interest and service charges; or
- f. Loss due to electrical or magnetic damage, disturbance or erasure of electronic recordings, except by lightning.

3. DETERMINATION OF RECEIVABLES

When there is proof that an accounts receivable loss covered by this policy form has occurred, but, the *insured* cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount will be based on the *insured's* monthly statements and will be computed as follows:

- a. Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- b. Calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part of, for which the *insured* has conducted *business* and has furnished monthly statements to *us*, as compared with such average for the same months of the preceding year;
- c. The amount determined under 3.a. above, multiplied by the percentage calculated under 3.b. above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- d. The amount determined under 3.c. above will be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the *business* since the last day of the last fiscal month for which a statement has been rendered.

B. ADDITIONAL EXPENSE

1. WHAT WE PAY FOR

We pay up to \$2,000 per occurrence 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. WHAT WE DO NOT PAY FOR

We do not pay for:

- a. Expenses covered under the *Loss Of Income* or *Loss Of Income From Dependent Property* coverages of this policy;
- b. *Additional expense* resulting from the enforcement of ordinance or law or as a result of civil authority;
- c. *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*;
- d. *Additional expense* caused by the suspension, lapse or cancellation of any lease, license, contract or order; or
- e. *Additional expense* resulting from any other type of consequential loss.

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

C. BACKUP, DISCHARGE OR OVERFLOW

1. WHAT WE PAY FOR

We pay up to \$2,000 per occurrence for accidental direct physical loss or damage to property caused by the backup, discharge or overflow of water, waterborne material or sewage on the *insured premises*:

- a. Through sewers or drains; and
- b. Through sump basins caused by failure of sump pump operations.

2. WHAT WE DO NOT PAY FOR

- a. Loss or damage resulting from an *insured's* negligence;
- b. Loss or damage resulting from an *insured's* neglect or failure to service or maintain the sump pump or any plumbing appliance; or
- c. Generalized or localized flooding resulting from excess runoff or overflow of streams, rivers or other bodies of water.

D. BUSINESS CREDIT CARD, DEBIT CARD, FORGERY AND COUNTERFEIT MONEY

1. WHAT WE PAY FOR

The amount of insurance for *Business* Credit Card, Debit Card, Forgery And Counterfeit *Money* coverage is increased an additional \$500 per occurrence and \$2,000 per policy period from what is provided in the Incidental Coverages of the General Policy Provisions of *your* policy.

Refer to the Incidental Coverages of the General Policy Provisions of *your* policy for applicable *terms*, conditions and exclusions. All other provisions relating to this coverage as described in the General Policy Provisions remain the same.

E. BUSINESS PROPERTY AT NEWLY ACQUIRED OR CONSTRUCTED LOCATIONS

1. WHAT WE PAY FOR

We pay for *business* property at newly acquired or constructed locations as follows:

- a. When Coverage B-*Business* Property is covered under *your* policy, *we* will pay up to \$5,000 for:
 - 1) Accidental direct physical loss or damage resulting from a covered cause of loss to *your business* property, including newly acquired *business* property, located at any newly acquired location; and
 - 2) Accidental direct physical loss or damage resulting from a covered cause of loss to *your business* property including newly acquired *business* property in *your* newly constructed or acquired building or structure at the *insured premises*.
- b. This coverage ends at the earliest of:
 - 1) 30 days from acquisition or commencement of construction;
 - 2) The expiration of the policy; or
 - 3) The date *you* report the newly acquired or constructed property to *us*.

We will charge *you* additional premium for the value *you* report to *us* from the date *you* acquire the property or begin construction.

Business Property At Newly Acquired Or Constructed Locations coverage is not available when While Away From The *Insured Premises* coverage is applicable to a covered loss under this policy. This coverage is applicable only when there is no other valid and collectible insurance.

F. BUSINESS PROPERTY OF OTHERS AND CUSTOMER GOODS

1. WHAT WE PAY FOR

The amount of insurance for *Business* Property Of Others And Customer Goods coverage is increased an additional \$2,000 from what is provided in the Incidental Coverages of the General Policy Provisions of *your* policy.

Refer to the Incidental Coverages of the General Policy Provisions of *your* policy for applicable *terms*, conditions and exclusions. All other provisions relating to this coverage as described in the General Policy Provisions remain the same.

This coverage is excess over any other applicable insurance.

G. DEBRIS REMOVAL

1. WHAT WE PAY FOR

The amount of insurance for Debris Removal coverage is increased an additional 5% from what is provided in the Removal provision of the Incidental Coverages of the General Policy Provisions, when the debris removal expense exceeds 25% of the amount *we* pay for the direct loss or damage, or when the loss to property and debris removal combined exceeds the amount of insurance for the property.

Refer to the Incidental Coverages of the General Policy Provisions of *your* policy for applicable *terms*, conditions and exclusions. All other provisions relating to this coverage as described in the General Policy Provisions remain the same.

H. DEMOLITION

1. WHAT WE PAY FOR

Following a covered cause of loss, *we* pay up \$5,000 for the costs incurred in demolishing any undamaged portion of a building covered under this policy. The order for demolition must result from enforcement of a state or municipal law or ordinance regulating the construction or repair of buildings and it must be in force at the time of loss necessitating such demolition.

I. EMPLOYEE DISHONESTY

1. WHAT WE PAY FOR

We pay up to \$2,000 per occurrence for the loss to tangible *business* property and *money* and *securities* which results from any fraudulent or dishonest act committed by any of *your employees*, whether identified or not, and whether acting alone or in collusion with others, except *you* or *your* partners. This coverage is subject to the following:

- a. *You* must sustain a loss as a result of the act or acts committed, and the *employee* who caused *you* to sustain a loss must have intended to receive a financial benefit not earned in the regular scope of employment with *your business* for his or herself, any other *employee*, or any other person or organization;
- b. For any loss, *our* payment will not exceed the replacement value of the property. *Securities* may be determined by market value at the time of settlement;
- c. All loss caused by, or involving, one or more people, whether the result of a single act or a series of acts, is considered to be one occurrence and is subject to only one payment under this coverage;
- d. *We* will only pay for loss sustained during the policy period and discovered no later than one year following the end of the policy period;
- e. *Our* payment is not increased regardless of the number of *insureds*, policies or claims; and
- f. Regardless of the numbers of years the policy is in force, the amount of insurance is not cumulative from year to year.

2. WHAT WE DO NOT PAY FOR

We do not pay for:

Loss or damage resulting directly or indirectly from the following:

- a. Any dishonest or criminal act by *you*, *your* partners, members, officers, directors, trustees or joint venturers, whether acting alone or in collusion with others;
- b. Loss for which *your* only evidence is an inventory computation;
- c. Loss for which *your* only evidence is a profit and loss computation;
- d. *Your* inability to generate income;
- e. Payment of compensatory or punitive damages to third parties for which *you* are legally liable;
- f. Payment of costs, fees or expenses *you* incur in proving *your* loss under this coverage;
- g. Payment of attorneys' fees, filing fees or costs for any related legal action;
- h. Loss caused by an *employee* for whom similar insurance has been previously canceled;
- i. The failing to sign, issue or cancel a warehouse receipt or any documents connected with it;

- j. Dishonest or fraudulent signing, issuance or cancellation of a warehouse receipt or any documents connected with it;
- k. Mysterious disappearance or unexplained shortage of property;
 - l. Trading;
- m. **Electronic data** security breach;
- n. Any claim for **Additional Expense** coverage;
- o. Any claim for **Loss Of Income** coverage; or
- p. Any claim for consequential loss.

This coverage is applicable only when there is no other valid and collectible insurance.

J. EXTERIOR SIGNS

1. WHAT WE PAY FOR

The amount of insurance for Exterior Signs coverage is increased an additional \$2,000 from what is provided in the Incidental Coverages of the General Policy Provisions of **your** policy.

Refer to the Incidental Coverages of the General Policy Provisions of **your** policy for applicable **terms**, conditions and exclusions. All other provisions relating to this coverage as described in the General Policy Provisions remain the same.

K. MONEY AND SECURITIES

1. WHAT WE PAY FOR

We pay for **money** and **securities**:

- a. Up to \$2,000 per occurrence for the loss of **money** and **securities** used in **your business** because of actual destruction, disappearance or dishonest act, when the loss occurs on the **insured premises**; and
- b. Up to \$2,000 per occurrence for the loss of **money** and **securities** used in **your business** because of actual destruction, disappearance or dishonest act, when the loss occurs off the **insured premises**.

2. WHAT WE DO NOT PAY FOR

We do not pay for:

- a. Loss due to any fraudulent, dishonest or criminal act by **you, your employees**, partners, members, officers, directors, trustees, joint venturers or authorized representatives, whether acting alone or in collusion with others;
- b. Loss caused by **you, your employees**, partners, members, officers, directors, trustees, joint venturers or authorized representatives, whether acting alone or in collusion with others;
- c. Loss due to giving or surrendering of **money** or **securities** in any exchange or purchase;
- d. Loss of **money** contained in coin-operated amusement devices or vending machines, unless the device or machine has an instrument that records the amount of **money** deposited; or
- e. Loss due to accounting or arithmetical errors or omissions.

All loss connected with an actual or attempted dishonest act, or series of related acts, whether committed by one or more people will be deemed to arise out of one occurrence.

L. OUTDOOR PROPERTY

1. WHAT WE PAY FOR

The amount of insurance for Outdoor Property coverage is increased an additional \$2,000 from what is provided in the Incidental Coverages of the General Policy Provisions of **your** policy.

Refer to the Incidental Coverages of the General Policy Provisions of **your** policy for applicable **terms**, conditions and exclusions. All other provisions relating to this coverage as described in the General

Policy Provisions remain the same.

M. PERSONAL ARTICLES

1. WHAT WE PAY FOR

We pay up to \$2,000 per occurrence for personal articles owned by the *insured*, the *insured's* partners, the *insured's* members or managers of a limited liability company, the *insured's* officers or the *insured's employees* on the *insured premises* caused by accidental direct physical loss or damage resulting from a covered cause of loss.

2. WHAT WE DO NOT PAY FOR

We do not pay for:

- a. Loss or damage to tools or equipment used in *your business*; or
- b. Loss or damage to personal articles from *theft*.

Personal Articles coverage is excess to any other valid and collectible insurance.

N. PROPERTY IN TRANSIT

1. WHAT WE PAY FOR

We pay up to \$2,000 for accidental direct physical loss or damage resulting from a covered cause of loss to *your business* property in transit aboard a conveyance or a common carrier. Loss will be adjusted at the amount of invoice, including prepaid or advance freight. In the absence of an invoice, the actual cash value of the *business* property at the point of shipment will be used.

O. REFRIGERATED PROPERTY

1. WHAT WE PAY FOR

We pay up to \$2,000 for spoilage to *your refrigerated property* contained in a freezer or refrigeration equipment on the *insured premises*. *Refrigerated Property* coverage is provided for the following causes of loss:

- a. *Refrigeration breakdown*;
- b. Contamination caused by or resulting from a refrigerant; and
- c. *Refrigeration power failure*.

2. WHAT WE DO NOT PAY FOR

a. We do not pay for:

- 1) Loss or damage to a freezer or refrigeration equipment, including glass that is a permanent part of a freezer or refrigeration equipment;
- 2) Any claim for *Loss Of Income* coverage;
- 3) Any claim for *Additional Expense* coverage; or
- 4) Any claim for consequential loss.

b. We do not pay for loss or damage caused by:

- 1) The breaking of glass;
- 2) The disconnecting of any freezer or refrigeration equipment from the source of power;
- 3) The deactivation of electrical power caused by the manipulation of switching equipment or other devices used to control the flow of electrical power or current;
- 4) The inability of an electrical utility company or other power source to provide sufficient power due to lack of fuel or governmental order; or
- 5) A power source at the *insured premises* that fails to provide a sufficient power supply for the demand.

P. SIGNS AWAY FROM THE *INSURED PREMISES*

1. WHAT WE PAY FOR

We pay up to \$2,000 for accidental direct physical loss or damage to exterior signs *you* own or that are in *your* care, custody or control, or that *you* are responsible for as a result of a written contractual obligation. Coverage applies to exterior signs located away from the *insured premises*. Signs Away From The *Insured Premises* coverage is provided for the causes of loss contained in *your* policy either for Coverage A-Building or for Coverage B-*Business* Property, whichever applies.

Q. VALUABLE PAPERS AND RECORDS

1. WHAT WE PAY FOR

The amount of insurance for Valuable Papers And Records coverage is increased an additional \$2,000 from what is provided in the Incidental Coverages of the General Policy Provisions of *your* policy.

Refer to the Incidental Coverages of the General Policy Provisions of *your* policy for applicable *terms*, conditions and exclusions. All other provisions relating to this coverage as described in the General Policy Provisions remain the same.

All other *terms* and conditions remain unchanged.