

BUSINESSOWNERS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SAFE HARBOR PLUS

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM**

BUSINESSOWNERS PROPERTY COVERAGE FORMS

1. The Limitations in Sections A.5., in the Special Form, and Section A.4 in the Standard Form, Additional Coverages, are changed as follows:

c. Fire Department Service Charge

In the Fire Department Service Charge Additional Coverage, the most we will pay is increased to \$25,000 for your liability for fire department service charges.

No deductible applies to this Additional Coverage.

f. Business Income – Ordinary Payroll Expenses

In the Business Income Additional Coverage, the most we will pay for ordinary payroll expense is increased to 90 days following the date of direct physical loss or damage.

j. Money Orders and Counterfeit Paper Currency

In the Money Orders and Counterfeit Paper Currency Additional Coverage, the most we will pay is increased to \$2,500.

The policy deductible applies to this Additional Coverage.

k. Forgery and Alteration

In the Forgery and Alteration Additional Coverage the most we will pay is increased to \$5,000.

The policy deductible applies to this Additional Coverage.

m. Tenant's Exterior Building Glass

In Section m.(4) of the Exterior Building Glass Additional Coverage, applicable to Tenant's Exterior Building Glass, we will pay for damage to building glass, resulting from a Covered

Cause of Loss, if you are a tenant, and you are responsible by lease or contract for building glass at a Covered Location.

We will pay up to \$500 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter. The maximum we will pay is \$3,000 per occurrence.

A \$250 deductible applies to this Additional Coverage.

2. The following new Additional Coverages are added to Section A.5. in the Special Form and Section A.4. in the Standard Form:

Ordinance or Law Coverage

Coverage applies only to policies issued on a replacement cost basis.

A. Coverage

(1) Coverage 1 – Coverage for Loss to the Undamaged Portion of the Building

If a Covered Cause of Loss occurs to covered Building property, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

- (a)** Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (b)** Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (c)** Is in force at the time of loss.

(2) Coverage 2 – Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered Building property, we will pay costs to demolish and remove debris of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

Paragraph **E.6.d.** of the Property Loss Conditions does not apply to Demolition Cost Coverage.

(3) Coverage 3 – Increased Cost of Construction Coverage

If a Covered Cause of Loss occurs to the covered Building property, we will pay for the increased cost to:

- (a)** Repair or reconstruct damaged portions of that Building property; and
- (b)** Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning, or land use ordinance or law.

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (b) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

Paragraph **E.6.d.** of the Property Loss Conditions does not apply to the Increased Cost of Construction Coverage.

B. Loss Payment

The most we will pay for the total of all covered losses for Coverage 1, 2 and 3 above is a combined limit of insurance of \$100,000. This \$100,000 may be allocated in any manner, however we will not pay more than \$100,000 per occurrence. Subject to this combined limit of insurance, the following loss provisions apply:

- (1) For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (2) For Increased Cost of Construction:
 - (a) We will not pay for the increased cost of construction:
 - (i) Until the property is actually repaired or replaced at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) This coverage is in addition to the \$5,000 limit provided in Section **A.5.i.** in the Special Form and Section **A.4.j.** in the Standard Form, Additional Coverages.

C. Other Insurance

If you purchase other Ordinance or Law coverage:

- (1) Under Coverage 1 above, the amount of insurance under Loss Payment above does not apply to, or increase, the Building limit shown in the Declarations.
- (2) Under Coverage 2 or 3 above, the amount we will pay for the Combined Limit, in Loss Payment above, is in addition to any other amount of insurance applying to these coverages appearing elsewhere in this policy.

- D.** The terms of this coverage apply separately to each building to which this coverage applies.
- E.** Under this coverage, we will not pay for loss due to any ordinance or law that:
 - (1)** You were required to comply with before the loss, even if the building was undamaged; and
 - (2)** You failed to comply with.
- F.** We will not pay under this coverage for 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.
- G.** The policy deductible applies to this Additional Coverage.

Exterior Signs

- (1)** This policy provides an additional amount of insurance, at each described premises, up to \$10,000 to cover direct physical loss of or damage to all exterior signs which are:
 - (a)** The property of the insured;
 - (b)** The property of others in the care, custody and control of the insured; and
 - (c)** Located on the premises described in the Declarations.
- (2)** This additional coverage does not apply to losses caused by or resulting from:
 - (a)** Wear and tear;
 - (b)** Hidden or latent defect;
 - (c)** Rust;
 - (d)** Corrosion; or
 - (e)** Mechanical breakdown.
- (3)** The Perils and Exclusions provisions in this policy, except exclusions listed above and the Section I – War and Military Actions, Governmental Action, and Nuclear Hazard exclusion, do not apply to this additional coverage.
- (4)** A \$500 deductible applies to this Additional Coverage.

Signs Away From Premises

- (1)** This policy provides up to \$2,500, to cover direct physical loss of or damage to outdoor signs, owned by the insured, but located away from the insured premises.

- (2) This additional coverage does not apply to losses caused by or resulting from;
 - (a) Wear and tear;
 - (b) Hidden or latent defect;
 - (c) Rust;
 - (d) Corrosion; or
 - (e) Mechanical breakdown.
- (3) The Perils and Exclusions provisions in this policy, except exclusions listed above and the Section I- Property; War and Military Actions, Governmental Action, and Nuclear Hazard exclusion, do not apply to this additional coverage.
- (4) A \$500 deductible applies to this Additional Coverage.

Lock Replacement

We will pay the necessary expenses you incur to replace locks at the described premises you occupy, resulting from theft or copying of keys or any other legitimate security concern. The most we will pay under this additional coverage during each policy period is \$1,500.

This additional coverage does not apply to loss caused by;

- (a) Vandalism; or
- (b) Wear and tear.

No deductible applies to this Additional Coverage.

Fire Extinguishing Equipment Recharge

- (1) We will pay up to \$25,000 for expenses you incur to recharge your automatic fire protection equipment discharged:
 - (a) To fight a fire; or
 - (b) As the result of a Covered Cause of Loss.

No deductible will apply to these expenses.

3. Section A.6. in the Special Form and Section A.5. in the Standard Form, Coverage Extensions, are changed as follows:

Paragraph a. is replaced with:

a. Newly Acquired or Constructed Property Increased Limits

- (1) The insurance that applies to Building may apply to:
 - (a) Your new buildings while being built on the described premises; and

- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Used as a warehouse.

The most we will pay for loss or damage under this extension is \$500,000 at each building.

- (2) The insurance that applies to your Business Personal Property will apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this extension is \$500,000 at each building.

- (3) Insurance under this extension for each newly acquired or constructed property will end when any of the following first occurs:
 - (a) This policy expires;
 - (b) 30 days expire after you acquire or begin to construct the property; or
 - (c) You report values to us.
- (4) We will charge you additional premium for values reported from the date construction begins or you acquire the property.
- (5) The policy deductible applies to this Coverage Extension.

Paragraph b. is replaced with:

b. Personal Property off Premises

- (1) You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, except “money and “securities,” “valuable papers and records” or accounts receivable, while it is in the course of transit more than 100 feet from the described premises, in or on a motor vehicle you own, lease or operate while between points in the coverage territory, or temporarily at a premises you do not own, lease or operate, other than at an exhibition or used as sales samples.

The most we will pay for loss or damage under this Extension is \$10,000, regardless of the number of premises described in the Declarations.

- (2) You may also extend the insurance that applies to Business Personal Property to apply to:
 - (a) Your Business Personal Property at an organized exhibition; or
 - (b) Your Business Personal Property, in the custody of an insured, used as sales samples.

The most we will pay under **b.(2)(a)** and **(b)** above is \$5,000.

(3) The policy deductible applies to this Additional Coverage.

Paragraph c. is amended as follows:

c. Outdoor Property

The most we will pay for loss or damage under this Coverage Extension is changed to \$10,000, but not more than \$1,000 for any one tree, shrub or plant.

The policy deductible applies to this Additional Coverage.

d. Personal Effects

The most we will pay for loss or damage under this Extension is \$10,000 at each described premises.

e. Valuable Papers and Records

Under Coverage Extensions, paragraphs **5.e.(5)** of the Businessowners Standard Property Coverage Form and Section **6.e.(3)** of the Businessowners Special Property Coverage Form, are replaced with:

The most we will pay under this Coverage Extension for loss or damage to Valuable Papers and Records in any one occurrence at the described premises is \$25,000, unless a higher Limit of Insurance for Valuable Papers and Records is shown in the Declarations.

For Valuable Papers and Records not at the described premises, the most we will pay is \$5,000.

The policy deductible applies to this Additional Coverage.

f. Accounts Receivable

Under Coverage Extensions, paragraphs **5.f.(4)** of the Businessowners Standard Property Coverage Form and **6.f.(2)** of the Businessowners Special Property Coverage Form are replaced with:

The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$25,000, unless a higher limit of insurance for Accounts Receivable is shown in the Declarations.

For Accounts Receivable not at the described premises, the most we will pay is \$5,000.

The policy deductible applies to this Additional Coverage.

4. Section A.6. in the Special Form and Section A.5. in the Standard Form, Coverage Extensions, are amended to add the following new Coverage Extensions:

Money and Securities

(1) Subject to the following limitation, we will pay for loss of “Money” and “Securities” used in the conduct of the insured’s business for an amount not exceeding \$10,000 on premises, \$3,000 off premises, resulting from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

On Premises means: While in or on the premises described in the Declarations, or within a bank or savings institution; and

Off Premises means: While in route to or from such described premises, bank or savings institution, or within the living quarters of the custodian of such funds.

(2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-operated or money changing device unless the amount of “Money” deposited in it is recorded by a continuous recording instrument in the device.

(3) All loss:

- (a) Caused by one or more persons; or
- (b) Involving a single act or series of related acts;

is considered one occurrence.

(4) The insured must keep records of all “money” and “securities” so that we can verify the amount of any loss or damage.

(5) “Money” means:

- (a) Currency, coins, and bank notes in current use and having a face value; and
- (b) Travelers checks, register checks, and money orders held for sale to the public.

(6) “Securities” means negotiable and non-negotiable instruments or contracts representing either “money” or other property and 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 are not issued by you;

but does not include “Money.”

A \$500 deductible applies to this Additional Coverage.

Back Up of Sewers and Drains

Exclusion **1.g. (3)** of section **B. Exclusions** is amended as follows:

Water that backs up from a sewer, drain or sump is deleted. However, the most we will pay for any one loss caused by back up of sewer, sump, or a drain other than from overflow of a roof drain or gutter, is \$10,000. The intent of this additional coverage is not to provide coverage for water back up or overflow of roof drains or gutters.

The policy deductible applies to this Additional Coverage.

Arson Reward

In the event that a covered fire loss was the result of an act of arson, we will reimburse you up to \$25,000 for rewards you pay for information leading to convictions for that act of arson.

No deductible applies to this reimbursement.

Fine Arts

- (1) You may extend the insurance that applies to your Business Personal Property to apply to “Fine Arts” that are:
 - (a) Your property; or
 - (b) The property of others that is in your care, custody, or control.
- (2) As used in this Extension, “Fine Arts” means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property, of rarity, historical value, or artistic merit.
- (3) The value of “Fine Arts” is not agreed upon but will be ascertained at the time of the loss or damage. We will not pay more than the least of the following amounts:
 - (a) The actual cash value of the property at the time of loss or damage;
 - (b) The amount for which you could reasonably be expected to have the property repaired to its condition immediately prior to the loss;
 - (c) The amount to replace the property with one substantially identical to the property loss or damage; or

- (d) The limit of insurance in (4) below.
- (4) The most we pay for loss or damage under this Extension is \$10,000 at each described premises.
- (5) A \$1,000 deductible applies for loss or damage to fragile articles such as glassware, statuary, marbles, china ware, and porcelains, if broken, unless caused by the following:
 - Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; volcanic action; weight of snow, ice, or sleet.
- (6) We will not pay for loss or damage caused by or resulting from any repairing, restoration, or retouching process.
- (7) Our payment for loss of or damage to property of others will be for the account of the owner of the property.
- (8) The policy deductible applies to this Additional Coverage.

Computer Equipment

If the Businessowners Special Property Coverage Form is shown in the Declarations, we will pay for loss to Covered Property from any Covered Causes of Loss, subject to the following Limits of Insurance:

Electronic Data Processing Equipment (Hardware): \$10,000

Electronic Data Processing Media and Records: \$7,500

Extra Expense: \$5,000

“Computer Virus” or “Computer Hacking”: \$5,000

(1) Covered Property

Covered Property, as used in this Coverage Extension, includes the following types of property that you own and use in your business, and property of others, as defined below, that is in your care, custody or control except as otherwise provided in the Loss Payment Property Loss Condition **E.6.d.(3)(b)** in the Businessowners Special Property Coverage Form.

(a) Electronic Data Processing Equipment (Hardware)

As used in this Coverage Extension, Electronic Data Processing Equipment includes:

- (i) Programmable electronic equipment that is used to store, retrieve and process data; and

- (ii) Associated peripheral equipment that provides communication including input and output functions such as printing, or auxiliary functions such as data transmission;

except as described in (b) below.

(b) Electronic Media And Records (Including Software)

As used in this Coverage Extension, Electronic Media and Records includes:

- (i) Recording or storage media, used with electronic data processing equipment, such as films, tapes, discs, drums or cells;
- (ii) Data stored on such media;
- (iii) Programming records used for electronic data processing or electronically controlled equipment.

(2) Extra Expense

Extra Expense covers the necessary expense you incur to continue, as nearly as practicable, the normal operation of your business because of a covered direct physical loss or damage to hardware or media covered under this form.

With regards to Extra Expense, we will pay these expenses from the date of the damage under this coverage for as long as it would reasonably take to repair or replace damaged or destroyed data, media, computer programs, or equipment, but no longer.

We will determine your loss to be the total necessary cost of continuing your business during the period of recovery over and above your normal total cost during the same period if no loss had occurred. The period of recovery is limited to such time as would be required to rebuild, repair, or replace property insured under this coverage that was damaged as soon as possible, beginning with the date the property was damaged. We will also take into consideration the salvage value of property obtained for temporary use during this period. In no event will we pay more than the Limits of Insurance specified above for this coverage.

(3) “Computer Virus” or “Computer Hacking”

We cover loss or damage to your computer hardware, electronic media or records, as described in (1)(a) and (b) above, computer networks, or Website caused by “Computer Virus” or “Computer Hacking.” However, we do not cover:

- (i) Loss of exclusive use of any data, records or proprietary programs that have been copied, scanned or altered;
- (ii) Losses of or reduction in economic or market value of any data, records or proprietary programs that have been copied, scanned or altered;

- (iii) Theft from your data, records or proprietary programs of confidential information through the observation or accessing of your covered hardware, electronic media, computer networks or Website.
- (4) The following is added to Paragraph **A.2.**, Property Not Covered, in the Businessowners Special Property Coverage Form:
- (g) Property held as samples, held for rental or sale, or that you rent to others;
 - (h) Property in storage away from the premises shown in the Declarations or in the Schedule;
 - (i) Electronic Data Processing Equipment which is permanently installed or designed to be permanently installed in any aircraft, watercraft, motor truck, or other vehicle subject to motor vehicle registration; or
 - (j) Accounts, bills, evidences of debt and valuable papers and records. However, such property is Covered Property in its “converted data” form.

(5) Mechanical Breakdown of Electronic Data Processing Equipment

We will pay for loss or damage to Covered Property due to mechanical breakdown if such loss or damage exceeds in any one occurrence the applicable deductible shown in Paragraph **10.** below.

We will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance shown above for the Electronic Data Processing Equipment.

(6) Artificially Generated Electrical Current

We will pay for loss or damage to Electronic Data Processing Equipment due to artificially generated electrical current if such loss or damage is caused by or results from:

- (a) An occurrence that took place within 100 feet of the described premises; or
- (b) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

If such loss or damage as specified above, exceeds in any one occurrence the applicable deductible shown in Paragraph **10.** below, we will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance shown above for the Electronic Data Processing Equipment.

The Electrical Apparatus Exclusion in **B.2.a.** in the Businessowners Special Property Coverage Form does not apply to this Coverage Extension.

(7) The following is added to Paragraph B., Exclusions, in the Businessowners Special Property Coverage Form:

- (a) The following exclusions do not apply to coverage provided under this endorsement:

B.1.e. Power Failure, **B.2.c.** Smoke, **B.2.d.** Steam Apparatus, **B.2.i.** Collapse, **B.2.k.**, Other Types of Loss, exclusions (3), (4), and (5) and **B.3.b.** Acts or Decisions.

- (b) Exclusion **B.2.k.(7)** is replaced by the following:

(i) Dampness or dryness of atmosphere, or changes in or extremes of temperature, unless such conditions result from physical damage caused by a covered cause of loss to an air conditioning unit or system, including equipment and parts, which is part of, or used with the electronic data processing equipment.

(ii) Marring or scratching:

But if an excluded cause of loss that is listed in **B.2.k.(1), (2), (6), or (7)** results in a specified Causes of Loss or building glass breakage, we will pay for the loss or damage caused by that specified cause of loss or building glass breakage.

(8) Additional Exclusions

The following exclusions apply in addition to the exclusions listed under **B.** Exclusions in the Businessowners Special Property Coverage Form.

We will not pay for loss or damage caused by or resulting from any of the following:

- (a) Human errors or omissions in processing, recording or storing information on Electronic Media and Records and Electronic Data Processing Equipment.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this endorsement.

- (b) Electrical or magnetic injury, disturbance or erasure of electronic recordings, except as provided under the Coverage Extensions of this endorsement.

But we will pay for direct loss or damage caused by lightning.

- (c) Failure, breakdown or malfunction of Electronic Media and Records and Electronic Data Processing Equipment, including parts, while the media is being run through the equipment.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss are covered by this endorsement.

- (d) Installation, testing, repair or other similar service performed upon the Electronic Data Processing Media and Records or Electronic Data Processing Equipment, including parts.

- (e) Loss of Business Income including, but not limited to, “Computer Virus” or “Computer Hacking” of your Computer Hardware, Electronic Data Processing Media and Records, computer network or Website.

(9) Property Loss Conditions

Paragraph **E.,6.d.(6)** in the Businessowners Special Property Coverage Form does not apply to Electronic Media and Records that are actually replaced or restored.

(10) Deductible

We will not pay for loss or damage in any one occurrence under this coverage until the loss or damage exceeds the policy deductible. We will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance.

(11) Definitions

The following is added to Paragraph **H.**, Property Definitions, in the Businessowners Special Property Coverage Form:

“Computer hacking” means an unauthorized intrusion by an individual or group of individuals, employed by you or not, into your computer hardware, software, computer network or Website.

“Computer virus” means the introduction of any malicious, self-replicating electronic code into your hardware, software, computer network or Website.

“Converted data” means information that is stored on electronic media, that is capable of being communicated, processed or interrupted by electronic data processing equipment.

5. Loss Conditions

Under Section **E.**, Property Loss Conditions, Paragraph **6.d.(1)(a)** and **(b)**, Loss Payment, the 80% insurance to value provision does not apply to losses of \$10,000 or less including any applicable deductible.

6. Businessowners Liability Coverage Form;

1. **The limitation in paragraph A. 1. d. Coverage Extension – Supplementary Payments, are changed as follows;**

(2) **Bail Bonds:** Amended from up to a \$250 to a \$1,000 maximum limit.

(4) **Actual Loss of Earnings:** Amended from up to a \$250 to a \$1,000 maximum limit.

2. **The Following is added to C. Who Is An Insured:
Newly Acquired Organizations:**

4. Any organization your newly acquire or form, other than a partnership, joint venture, or limited liability company and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. **A. Coverages 1. Business Liability** does not apply to;
 - (1) “Bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
 - (2) “Personal and advertising injury” arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct or any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations.

3. The following is added as the last sentence of D. Liability and Medical Expenses Limits of Insurance, paragraph 2;

The limit of liability for Medical Expenses as shown on the Declarations page is amended to \$10,000.