

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section I – Property is amended as follows:

A. With respect to the coverage provided under this endorsement, the following are considered Covered Causes of Loss:

1. Earthquake.
2. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

B. All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

C. With respect to the coverage provided by this endorsement, we will not pay for loss or damage caused by or resulting from any Earthquake or Volcanic Eruption that begins before the inception of this insurance.

But, if this policy replaces earthquake insurance that excludes loss or damage that occurs after the expiration of the policy we will pay for loss or damage by Earthquake or Volcanic Eruption that occurs on or after the inception of this insurance, if the series of Earthquake shocks or Volcanic Eruptions began within 168 hours prior to the inception of this insurance.

D. To the extent that Exclusion **B.1.b. Earth Movement** might conflict with coverage provided under this endorsement, that exclusion does not apply.

E. Paragraph **D. Deductibles** is replaced by the following for Earthquake and Volcanic Eruption:

D. Deductibles

1. We will subtract a sum from the amount of loss or damage in any one occurrence.

a. The sum we subtract from each separate item will be a percentage of its value. The applicable percentage is shown in the Declarations.

b. This Deductible applies separately to the following:

- (1) Each building or structure;
- (2) The contents of each building or structure; and
- (3) Personal property in the open.

Example:

When:

The value of the property is \$100,000

The Earthquake Deductible is 5%

The amount of loss is \$ 20,000

Step (a): $\$100,000 \times 5\% = \$5,000$

Step (b): $\$20,000 - \$5,000 = \$15,000$

The most we will pay is \$15,000. The remaining \$5,000 is not covered because of the Deductible.

2. No deductible applies to the following Additional Coverages:

- a. Business Income;
- b. Extra Expense; and
- c. Civil Authority.

F. The following is added to Paragraph **C. Limits Of Insurance**:

The applicable Building and/or Business Personal Property Limit Of Insurance shown in the Declarations that applies to coverage under this endorsement also applies to the Business Income and Extra Expense Additional Coverages.