



OREGON MUTUAL INSURANCE COMPANY
COMMERCIAL POLICY SPECIAL CLUSTER ENDORSEMENT

M2623 (2-03)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

LIABILITY COVERAGE SUMMARY

This is a summary of the liability coverages provided by this endorsement. These coverages are subject to the provisions of the Common Policy Conditions, the Commercial General Liability Coverage Form, and the Mutual Policy Conditions. Exclusion - Year 2000 Computer-Related and Other Electronic Problems also applies to these coverages. Refer to the following page for coverage details.

- 1. Employment Related Practices Liability Insurance

PROPERTY COVERAGE SUMMARY

This is a summary of the property coverages provided by this endorsement. These coverages are subject to the provisions applicable to the Common Policy Conditions, the Building and Personal Property Coverage Form, the Causes of Loss Special Form, and Mutual Policy Conditions. Coverage in those forms is replaced or extended to provide the coverages described in this endorsement.

Exclusion of Certain Computer-Related Losses also applies to these coverages.

No Business Income and/or Extra Expense coverage is provided by this endorsement except for the coverages provided under Item 4.- Business Income - Redefined Period of Restoration and under Item 5. - Electronic Data Processing Media Extra Expense,.

Refer to the following pages for coverage details.

Table listing property coverages and their corresponding page numbers, such as Accounts Receivable (1), Arson Reward (3), Brands and Labels (3), Business Income - Redefined Period of Restoration (3), Electronic Data Processing Media Extra Expense (3), Errors and Omissions in Describing a Premises or Location (3), Fine Arts (3), Fire Department Service Charges and Replacement of Fire Extinguishing Materials (3), Inventory and Appraisal Cost (4), Mechanical Breakdown of Computer Equipment (4), Money and Securities (4), Newly Acquired or Constructed Property (4), Ordinance or Law (5), Outdoor Property (6), Outdoor Unattached Signs (6), Personal Property of Others (6), Personal Property Off Premises (6), Spoilage of Perishable Stock (6), Valuable Papers and Records and Electronic Media and Records (7), Vehicle Damage to Leased Property (9), and Water Back Up (9).

LIABILITY COVERAGE

1. Employment Related Practices Liability Insurance

A. The Employment Related Practices Exclusion (CG 0197 or CG 2147) attached to this policy, applies to this policy with respect to:

- 1. losses that are below the \$250 deductible stated in paragraph E, and
2. losses that exceed the \$5,000 limit shown in paragraph D.

B. If there is no Commercial General Liability Coverage Form on this policy, this coverage, Employment Related Practices Liability Insurance, is not applicable.

C. The Commercial General Liability coverage provided by this policy includes Bodily Injury or Personal Injury to:

- 1. A person arising out of any:
a. Refusal to employ that person;
b. Termination of that person's employment; or
c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
2. The spouse, child, parent, brother or sister of that person as a consequence of bodily injury or personal injury to that person at whom any of the employment-related practices described in paragraphs a., b. or c. above is directed.

D. The most we will pay for losses, including defense costs, occurring in any annual policy period under this coverage is \$5,000 regardless of the number of:

- 1. Insureds;
2. Claims made or suits brought; or
3. Persons or organizations making claims or bringing suits.

E. Our obligation under this coverage to pay damages or defense costs on your behalf applies only to amounts in excess of \$250.

PROPERTY COVERAGES

1. Accounts Receivable

A. COVERAGE

- 1. We will pay:
a. All amounts due from your customers that you are unable to collect;
b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
c. Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
d. Other reasonable expenses that you incur to re-establish 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.

2. **Property Not Covered**

Covered property does not include contraband, or property in the course of illegal transportation or trade.

3. **Covered Causes of Loss**

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS to your records of accounts receivable except those causes of loss listed in the Exclusions.

4. **Additional Coverage - Collapse**

We will pay for loss or damage caused by or resulting from risks of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

- a. Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage; breakage of building glass.

(1) Falling objects does not include loss or damage to:

- (a) Property in the open; or
- (b) Property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

(2) Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

5. **Coverage Extension**

Removal

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:

- a. At a safe place away from the described premises;
- b. Being taken to and returned from that place.

This Coverage Extension is included within the Limit of Insurance applicable to the premises from which the Covered Property is removed.

B. EXCLUSIONS

- 1. Paragraph B. of CAUSES OF LOSS SPECIAL FORM does not apply to this coverage, except for:

- a. Paragraph B.1.c., Governmental Action;
- b. Paragraph B.1.d., Nuclear Hazard;
- c. Paragraph B.1.f., War and Military Action;

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

- a. Dishonest acts by you, anyone else with an interest in the property, or your or their employees or authorized representatives, or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

But this exclusion does not apply to a carrier for hire.

- b. 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.

- c. Bookkeeping, accounting or billing errors or omissions.

- d. Electrical or magnetic injury, disturbance or erasure of electronic recordings.

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

- e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- f. Unauthorized instructions to transfer property to any person or to any place.

- 3. We will not pay for loss or damage that required any audit of records or any inventory computation to prove its factual existence.

- 4. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

- a. Weather conditions. But this exclusion only applies if weather conditions initiate or set in motion a cause or event excluded in paragraph 1.a., 1.b. or 1.c. above to produce the loss or damage.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

C. LIMIT OF INSURANCE

The most we will pay for loss or damage for accounts receivable at the described premises in any one occurrence is \$25,000.

For accounts receivable not at the described premises, the most we will pay is \$2,500.

D. ADDITIONAL CONDITIONS

The following is added to paragraph E.4. of the LOSS CONDITIONS:

1. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
 - (a) 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) 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.

E. DEDUCTIBLE

No deductible applies to this coverage.

2. Arson Reward

The Company will pay an additional amount of \$2,500 as a reward for information leading to an arson conviction for damage to covered property. No deductible applies to this additional coverage.

3. Brands and Labels

The following is added to the Loss Payment Conditions of the policy:

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of loss, we may take all or any part of the property at an agreed or appraised value. If so, you may, at your own expense:

- A. Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- B. Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

No deductible applies to this coverage.

4. Business Income - Redefined Period of Restoration

With respect to any of the following forms if they are attached to the policy:

- CP 0030 - Business Income Coverage Form (& Extra Expense);
- CP 0032 - Business Income Coverage Form (Without Extra Expense);
- CP 0050 - Extra Expense Coverage Form;
- CP 1508 - Business Income From Dependent Properties-Broad Form;
- CP 1509 - Business Income From Dependent Properties-Limited Form; and
- CP 1534 - Extra Expense From Dependent Properties,

the following wording is deleted from the definition of **Period of Restoration**:

Period of Restoration does not include any increased period required due to the enforcement of any ordinance or law that:

- A. Regulates the construction, use or repair, or requires the tearing down of any property; or
- B. 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."

No deductible applies to this coverage.

5. Electronic Data Processing Media Extra Expense

We will pay your necessary extra expense to continue normal operations following loss or damage to your electronic data processing media from a Covered Cause of Loss. The most we will pay under this Extension is \$10,000 in any one occurrence.

The deductible applicable to the Building and Personal Property Coverage Form applies to this coverage.

6. Errors And Omissions In Describing A Premises Or Location

The following is added to the Loss Payment Conditions of the policy:

The Insured will not be penalized because of any unintentional error or omission the Insured may make in listing or describing a premises or location to be covered under this policy.

No deductible applies to this coverage.

7. Fine Arts

- A. We will pay for loss or damage to your "fine arts" at the described premises if loss or damage is caused by or results from Covered Cause of Loss. Your "fine arts" under this additional coverage will be valued at their market value at the time of loss.
- B. The most we will pay for "fine arts" at any premises described in the Commercial Property Declarations is \$10,000.
- C. The occurrence deductible applicable to personal property applies to this additional coverage. If the policy does not provide personal property coverage at the location involved in a loss, the deductible applicable to the building will apply. If the occurrence deductible varies by location, the highest occurrence deductible applicable to any location shall apply.
- D. "Fine arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property of rarity, historical value or artistic merit.

8. Fire Department Service Charges And Replacement Of Fire Extinguishing Materials

Policy Conditions relating to Fire Department Service Charges are replaced by the following:

- A. When a fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$10,000 for your liability for fire department service charges:
 1. Assumed by contract or agreement prior to loss; or
 2. Required by local ordinance.
- B. The Company will pay the cost of foam solutions, dry chemicals, halon or other fire extinguishing materials to recharge Fire Extinguishers which have been lost, expended, damaged, or destroyed when caused by or resulting from a Covered Cause of Loss at the premises described in the Declarations or adjacent to such property.

- C. No deductible applies to this coverage.
9. **Inventory And Appraisal Cost**
- A. We will pay for the cost of any inventory or appraisal required by Property Loss Condition E.2 of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM that is a result of direct physical loss or damage to covered property caused by or resulting from a Covered Cause of Loss.
- B. The most the Company will pay for this additional coverage is \$2,500.
- C. No deductible applies to this additional coverage.
10. **Mechanical Breakdown Of Computer Equipment**
- A. Computer Equipment
The Company will pay for direct physical loss of or damage to covered computer equipment inside the Insured's building for:
1. Mechanical breakdown or machinery breakdown;
 2. Short circuit, blowout, or other electrical damage to electrical equipment, apparatus, or devices, including wiring.
- B. Data or Media
The Company will pay for direct physical loss or damage to the Insured's data or media caused when the Insured's computer equipment mechanically breaks down or malfunctions while data is being run through the system. The Company will pay for direct physical loss or damage to the Insured's data or media caused by electrical or magnetic injury, disturbance, or erasure of electronic recordings provided that the damage occurs inside the Insured's building.
- C. Coverage Restriction
The Company will not pay for loss or damage caused by any change in the Insured's electric power supply, such as interruption, power surge, or brown out, if the change originates more than 100 feet from the building containing the Insured's computer equipment.
- D. Limit Of Insurance
The most the Company will pay for loss or damage in any one occurrence is \$10,000.
- E. The deductible applicable to the Building and Personal Property Coverage Form applies to this coverage.
11. **Money And Securities**
- A. The Company will pay for loss of "money" and "securities" used in the Insured's business while at a bank or savings institution, within the Insured's living quarters or the living quarters of any partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places resulting directly from:
1. Theft, meaning any act of stealing;
 2. Disappearance; or
 3. Destruction.
- B. In addition to the Limitations and Exclusions applicable to property coverage, the Company 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;
 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; or
4. Resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees or authorized representatives.
 - a. Acting alone or in collusion with other persons; or
 - b. Whether or not occurring during the hours of employment.
- C. The most that will be paid for loss in any one occurrence is:
1. \$10,000 while "money" and "securities" are in or on the described premises, or within a bank or savings institution; or
 2. \$5,000 while "money" and "securities" are anywhere else.
- D. All loss:
1. Caused by one or more persons; or
 2. Involving a single act or series of related acts; is considered one occurrence.
- E. The Insured must keep records of all "money" and "securities" so the amount of any loss or damage can be verified.
- F. Definitions applicable to this coverage:
1. "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.
 2. "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 cards are not issued by the Insured; but does not include "money."
- G. The deductible applicable to this coverage is \$250 for each occurrence.
12. **Newly Acquired Or Constructed Property**
- The following replaces Coverage Extension A.5.a. of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:
- A. You may extend the insurance that applies to Building to apply to:
1. Your new buildings while being built on the described premises; and
 2. Buildings you acquire at locations, other than the described premises, intended for:
 - a. Similar use as the building described in the Declarations; or
 - b. Use as a warehouse.
- The most we will pay for loss or damage under this Extension is 25% of the Limit of Insurance for Building shown in the Declarations, but not more than \$1,000,000.
- B. You may extend the insurance that applies to Your Business Personal Property to 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 10% of the Limit of Insurance for Your Business Personal Property shown in the Declarations, but not more than \$500,000 at each building.

- C. Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:
1. This policy expires.
 2. 90 days expire after you acquire or begin to construct the property; or
 3. You report values to us.

We will charge you additional premium for values reported from the date construction begins, or the date you acquire the property.

- D. If you have two or more policies in force with us which provide this same coverage extension, the Limit of Insurance will be the limit which provides the highest amount of coverage to you, but in no case shall the coverage extension from more than one policy apply.
- E. The deductible applicable to the Building and Personal Property Coverage Form applies to this coverage.

13. **Ordinance Or Law**

- A. The Company will not pay under Coverage A, B, and/or C of this Ordinance Or Law coverage for:
1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 2. 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", "fungus", wet or dry rot or bacteria.
- B. Coverage A - Coverage for Loss to the Undamaged Portion of the Building.
1. If a Covered Cause of Loss occurs to covered building property, the Company will pay for loss to the undamaged portion of the building caused by 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. If Replacement Cost Coverage applies and the property is repaired or replaced, on the same or another premises, we will not pay more for loss or damage to covered building property, including loss caused by enforcement of an ordinance or law, than the lesser of:
 - a. the amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- b. the limit of Insurance applicable to the covered building.

3. If Replacement Cost Coverage applies and the property is not repaired or replaced; or if Replacement Cost Coverage does not apply, the Company will not pay more for loss or damage to covered building property, including loss caused by enforcement of an ordinance or law, than the lesser of:
 - a. the actual cash value of the building at the time of loss; or
 - b. the Limit of Insurance applicable to the covered building property.
4. Coverage A does not increase the Limit of Insurance for covered building property shown in the Declarations.
5. The terms of this additional coverage apply separately to each covered building.

C. Coverage B - Demolition Cost Coverage

1. If a Covered Cause of Loss occurs to covered building property, the Company will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.
2. The Company will not pay under this additional coverage 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".
3. The Company will not pay more under Coverage B - Demolition Cost Coverage than the lesser of the following:
 - a. the amount you actually spend to demolish and clear the site of the described premises; or
 - b. the amount shown in paragraph E., Limit of Insurance.
4. The terms of this additional coverage apply separately to each covered building.

D. Coverage C - Increased Cost of Construction Coverage

1. If a Covered Cause of Loss occurs to covered building property, the Company will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.
2. The Company will not pay under this additional coverage for:
 - a. the increased cost of construction if the building is not repaired or replaced, or
 - b. the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, cleanup, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
3. The Company will not pay under Coverage C - Increased Cost of Construction Coverage:

- a. until the property is actually repaired or replaced, at the same or another premises; and
 - b. unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. The Company may extend this period in writing during the two years.
4. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most the Company will pay under Coverage C is the lesser of:
 - a. the increased cost of construction at the new premises; or
 - b. the amount shown in paragraph E., Limit of Insurance.
 5. If the ordinance or law requires relocation to another premises, the most the Company will pay under Coverage C is the lesser of:
 - a. the increased cost of construction at the new premises; or
 - b. the amount shown in paragraph E., Limit of Insurance.
 6. The terms of this additional coverage apply separately to each covered building.
- E. **Limit of Insurance**
The most the Company will pay for coverages B & C combined is 10% of the Limit of Insurance applicable to the covered building property shown in the Declarations or \$250,000 whichever is less.
- F. **Definitions Applicable to This Coverage**
"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- G. The deductible applicable to the Building and Personal Property Coverage Form applies to this coverage.
14. **Outdoor Property**
The following replaces A.5.e., of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.
You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas, signs (other than signs attached to buildings), 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:
- A. Fire;
 - B. Lightning;
 - C. Explosion;
 - D. Riot or Civil Commotion; or
 - E. Aircraft.
- The most we will pay for loss or damage under this Extension is \$10,000 but not more than \$500 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.
The deductible applicable to the Building and Personal Property Coverage Form applies to this coverage.
15. **Outdoor Unattached Signs**
(This coverage does not apply if claim is made under the Outdoor Property coverage.)
- A. We will pay for direct physical loss of or damage to all outdoor signs not attached to buildings at the described premises:
 1. Owned by you; or
 2. Owned by others but in your care, custody or control.
- B. Paragraph A., Covered Causes of Loss, and Paragraph B., Exclusions, of the CAUSES OF LOSS – SPECIAL FORM, do not apply to this Coverage, except for:
1. Paragraph B.1.c., Governmental Action;
 2. Paragraph B.1.d., Nuclear Hazard; and
 3. Paragraph B.1.f., War and Military Action.
- C. We will not pay for loss or damage caused by or resulting from:
1. Wear and tear,
 2. Hidden or latent defect;
 3. Rust;
 4. Corrosion; or
 5. Mechanical breakdown.
- D. The most we will pay for loss or damage in any one occurrence is \$10,000.
- E. The provisions of this Coverage except for the deductible provisions, supersede all other references to outdoor signs in this policy.
- F. The deductible applicable to the Building and Personal Property Coverage Form applies to this coverage.
16. **Personal Property of Others**
The following is added to Coverage Extension 5.b.(2) of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM. We will pay for direct physical loss of or damage to property of others that is in your care, custody or control, but for which you are not legally liable, up to a limit of \$10,000.
The deductible applicable to the Building and Personal Property Coverage Form applies to this coverage.
17. **Personal Property Off Premises**
You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than **money** and **securities**, while the property is in the course of transit; temporarily at a premises you do not own, lease or operate; or, if the Named Insured is a sole proprietor, at the Named Insured's place of residence.
We will also pay for direct physical loss of or damage to display booths and related equipment and Business Personal Property owned by the Insured, or owned by others but in the Insured's care, custody or control, while being used at or transported to or from events away from the insured premises.
The most we will pay for loss or damage under this Extension is \$10,000.
The deductible applicable to the Building and Personal Property Coverage Form applies to this coverage.
18. **Spoilage of Perishable Stock**
The BUILDING AND PERSONAL PROPERTY COVERAGE FORM and the CAUSES OF LOSS SPECIAL FORM are amended as follows with respect to direct physical loss of or damage to perishable stock. The following provisions (A. through H. inclusive) apply to the coverage provided herein:
- A. Paragraph A.1. Covered Property of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM is replaced by the following:
 1. Covered Property
Covered Property means **perishable stock** at the described premises, if the **perishable stock** is:

- (a) Owned by you and used in your business; or
- (b) Owned by others and in your care, custody or control.

Property described by (b) above is not covered for more than the amount for which you are legally liable, plus the cost of labor, materials, or services furnished or arranged by you on that property.

B. The following is added to Paragraph A.2. Property Not Covered of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM;

- g. Property located:
 - (1) On buildings;
 - (2) In the open; or
 - (3) In vehicles.

C. Paragraph A. COVERED CAUSES OF LOSS of the CAUSES OF LOSS SPECIAL FORM, is replaced by the following:

Subject to the exclusions described in item D herein, Covered Causes of Loss means the following:

- a. Breakdown or Contamination, meaning:
 - (1) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus or equipment is at the described premises; or
 - (2) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises. Mechanical breakdown and mechanical failure do not mean power interruption, regardless of how or where the interruption is caused and whether or not the interruption is complete or partial.
- b. 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.

D. Paragraph B. EXCLUSIONS of the CAUSES OF LOSS SPECIAL FORM, is replaced by the following:

B. EXCLUSIONS

- 1. Of the EXCLUSIONS contained in paragraph B.1. only the following apply to Spoilage Coverage:
 - b. EARTH MOVEMENT;
 - c. GOVERNMENTAL ACTION;
 - d. NUCLEAR HAZARD;
 - f. WAR AND MILITARY ACTION; and
 - g. WATER.
- 2. The following EXCLUSIONS are added: We will not pay for loss or damage caused by or resulting from:
 - a. The disconnection of any refrigerating, cooling or humidity control system from the source of power.
 - b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.

- c. The inability of an electrical utility company or other power source to provide sufficient power due to:
 - (1) Lack of fuel; or
 - (2) Governmental order.

- d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.

- e. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

E. Limit of Insurance

The most we will pay for loss or damage to **Perishable Stock** in any one occurrence is \$15,000.

F. Conditions

- 1. Under paragraph E. Loss Conditions of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM, item 7. Valuation, is replaced by the following:

We will determine the value of Covered Property as follows:

- (1) For **perishable stock** you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had;
- (2) For other **perishable stock**, at actual cash value.

G. Paragraph G. Optional Coverages of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM does not apply.

H. The following is added to the Definitions:

Perishable Stock means property:

- 1. Maintained under controlled temperature or humidity conditions for preservation; and
- 2. Susceptible to loss or damage if the controlled temperature or humidity conditions change.

I. The deductible applicable to the Building and Personal Property Coverage Form applies to this coverage.

19. **Valuable Papers and Records and Electronic Media and Records**

A. Coverage

The Company will pay for direct physical loss or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property

a. Valuable Papers and Records

Covered Property means the following type of property that is the Insured's property or property of others in the Insured's care, custody or control;

Valuable papers and records, meaning inscribed, printed or written:

- (1) Documents;
- (2) Manuscripts; and
- (3) Records;

including abstracts, books, deeds, drawings, films, maps, or mortgages.

But valuable papers and records does not mean:

- (4) "Money" or "Securities";
- (5) Converted Data;
- (6) Programs or instructions used in the Insured's data processing operations, including the materials on which the data is recorded.

b. Electronic Media and Records

Covered Property means the following type of property that is the Insured's property or property of others in the Insured's care, custody or control;

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; and
- (3) Programming records used for electronic data processing or electronically controlled equipment.

2. Property Not Covered

Covered Property does not include:

- a. Property held as samples or for delivery after sale;
- b. Property in storage away from the described premises; or
- c. Contraband, or property in the course of illegal transportation or trade.

3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS to Covered Property except those causes of loss listed in the Exclusions.

4. Additional Coverage - Collapse:

The Company will pay for loss or damage caused by or resulting from risks of direct physical loss involving collapse of a building or any part of a building caused by one or more of the following:

- a. Fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicles, riot or civil commotion, vandalism, leakage from fire extinguishing equipment, sinkhole collapse, volcanic action, falling objects, weight of snow, ice or sleet, water damage, breakage of building glass, all only as insured against in this policy.
 - (1) Falling objects does not include loss or damage to:
 - (a) Property in the open; or
 - (b) Property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - (2) Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.
- b. Hidden decay;
- c. Hidden insect or vermin damage;

- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

5. Coverage Extension

Removal

If the Insured gives the Company written notice within 10 days of removal of Covered Property because of imminent danger of loss or damage, the Company will pay for loss or damage while it is:

- a. At a safe place away from the described premises; or
- b. Being taken to and returned from that place.

This Coverage Extension is included within the Limits of Insurance applicable to the premises from which the Covered Property is removed.

B. Exclusions

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

1. Seizure or destruction of property by order of governmental authority.

But the Company will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.
2. Nuclear reaction or radiation, or radioactive contamination, however caused.

But if loss or damage by fire results, the Company will pay for that resulting loss or damage.
3. War, including undeclared or civil war, warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents, or insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
4. Dishonest acts by:
 - a. the Insured or the Insured's employees or authorized representatives;
 - b. anyone else with an interest in the property, or their employees or authorized representatives; or
 - c. anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

But this exclusion does not apply to a carrier for hire.

5. 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.

6. Bookkeeping, accounting or billing errors or omissions.
7. Electrical or magnetic injury, disturbance or erasure of electronic recordings. But the Company will pay for direct loss or damage caused by lightning.
8. Voluntary parting with any property by the Insured or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
9. Unauthorized instructions to transfer property to any person or to any place.
10. The Company will not pay for loss or damage that required any audit of records or any inventory computation to prove its factual existence.
11. The Company will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, the Company will pay for that resulting loss or damage.
 - a. Weather conditions. But this exclusion only applies if weather conditions initiate or set in motion a cause or event excluded in paragraph 1., 2., or 3., above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any property on or off the described premises.

C. Limit of Insurance

1. The most the Company will pay for loss or damage to Valuable Papers and Records (other than electronic media and records) at the described premises in any one occurrence is \$25,000.
For Valuable Papers and Records (other than electronic media and records) not at the described premises, the most the Company will pay is \$2500.
2. The most the Company will pay for loss or damage to Electronic Media and Records at the described premises in any one occurrence is \$10,000.
For Electronic Media and Records not at the described premises, the most the Company will pay is \$1,000.
If the Named Insured is a sole proprietor, the most the Company will pay for Electronic Media and Records at the Named Insured's place of residence is \$1,000.

D. Property Loss Conditions

The following is added to the Loss Payment Conditions of the policy:

1. The Company will determine the value of Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
 - a. Blank materials for reproducing the records; and
 - b. Labor to transcribe or copy the records.
 This Loss Condition does not apply to Valuable Papers and Records, or data or programming records, that are actually replaced or restored.

E. Definitions Applicable To This Coverage

1. "Money" means:
 - a. Currency, coins and bank notes whether or not in current use; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
2. "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 or not in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which are not of the Insured's own issue; but does not include "money."

F. No deductible applies to this coverage.

20. **Vehicle Damage to Leased Property**

The following is included under Covered Property of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM: We cover against risks of direct physical loss caused by **vehicle damage** to leased property consisting of buildings, machinery and equipment, fixtures, pumps and tanks, and outdoor equipment. This leased property must pertain to the maintenance, service or occupancy of the insured premises and is covered only while on the insured premises. **Vehicle damage** means direct physical loss resulting from actual physical contact of a land motor vehicle with the leased property described in this section. The deductible applicable to the Building and Personal Property Coverage Form applies to this coverage.

21. **Water Back Up**

The Company will pay for loss to covered property caused by or resulting from water that backs up into a described location from a sewer or drain. This does not include water that backs up as a result of flooding of an ocean, river, lake, creek or similar body of water.

The most the Company will pay for loss or damage from water back up is \$5,000 per occurrence. Exclusion B.1.g. of the CAUSES OF LOSS – SPECIAL FORM does not apply to this Extension. The deductible applicable to the Building and Personal Property Coverage Form applies to this coverage.