



**OREGON MUTUAL INSURANCE COMPANY  
BUSINESSOWNERS  
SPECIAL CLUSTER ENDORSEMENT**

M2624B (8-20)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**PROPERTY COVERAGE SUMMARY**

This is a summary of the property coverages provided by this endorsement. This is only a summary and the policy language is the sole basis of your coverage. These coverages are subject to the provisions applicable to **Section I – Property** and **Section III – Common Policy Conditions** of the Businessowners Coverage Form (BP 00 03) and the provisions of the **Businessowners Amendatory Endorsement (M2732B)** unless otherwise noted in this endorsement. If there is coverage for the same loss or damage in either the Businessowners Coverage Form or other endorsements attached to the policy the limits provided in this endorsement will be paid in excess of those other limits.

Refer to the following pages for coverage details.

1. Accounts Receivable .....	At The Described Premises	\$25,000
	Not At The Described Premises	\$7,500
2. Arson Reward .....		\$2,500
3. Brands And Labels .....		\$50,000
4. Computer Fraud.....		\$5,000
5. Computers Off Premises Including World Wide Coverage .....		\$10,000
6. Debris Removal .....		\$20,000
7. Employee Dishonesty.....		\$25,000
8. Employee Tools .....		\$5,000
9. ERISA Extension .....	Included In Employee Dishonesty Limit	
10. Errors And Omissions In Describing A Premises Or Location .....	Included In Section I Limits	
11. Extended Business Income (Resumption Of Full Operations).....		90 Days
12. Fine Arts.....		\$10,000
13. Fire Department Service Charge And Replacement Of Fire Extinguishing Materials.....		\$25,000
14. Forgery Or Alteration .....		\$25,000
15. Inventory And Appraisal Cost .....		\$5,000
16. Lost Key And Lock Replacement .....		\$5,000
17. Mechanical Breakdown Of Computer Equipment.....		\$10,000
18. Money And Securities.....	Inside The Premises	\$5,000
	Outside The Premises	\$5,000
19. Money Orders And Counterfeit Paper Currency.....		\$25,000
20. Newly Acquired Or Constructed Property.....	Buildings	\$1,000,000
	Business Personal Property	\$500,000
		90 Days
21. Ordinance Or Law – Building Coverage .....	Coverage 1 = Building Limit	
	Coverage 2 & 3 = \$250,000 Or 10% Of The Building Limit	
22. Ordinance Or Law – Increased Period Of Restoration.....	Included	
23. Outdoor Property .....	\$10,000/\$500 Per Tree Shrub Or Plant	
24. Outdoor Unattached Signs .....		\$10,000

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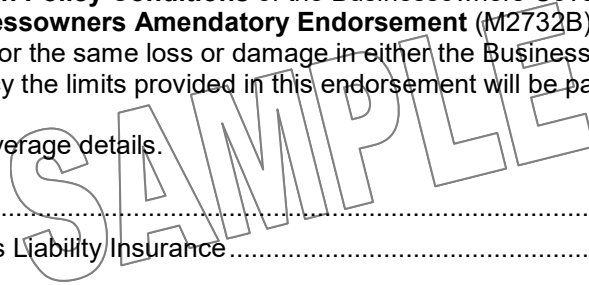
25. Permanent Outdoor Structures For Trash Bins .....	\$5,000
26. Personal Effects .....	\$5,000
27. Personal Property Off Premises .....	\$25,000
28. Pollution Clean Up And Removal .....	\$25,000
29. Property Of Others .....	\$25,000
30. Spoilage Of Perishable Stock .....	\$15,000
31. Utility Services – Direct Damage .....	\$10,000
32. Utility Services – Time Element .....	\$10,000
33. Valuable Papers And Records .....	At The Described Premises \$35,000
	Not At The Described Premise \$10,000
34. Water Back-Up and Sump Overflow .....	\$100,000

**LIABILITY COVERAGE SUMMARY**

This is a summary of the liability coverages provided by this endorsement. This is only a summary and the policy language is the sole basis of your coverage. These coverages are subject to the provisions applicable to **Section II – Liability** and **Section III – Common Policy Conditions** of the Businessowners Coverage Form (BP 00 03) and the applicable provisions of the **Businessowners Amendatory Endorsement (M2732B)** unless otherwise noted in this endorsement. If there is coverage for the same loss or damage in either the Businessowners Coverage Form or other endorsements attached to the policy the limits provided in this endorsement will be paid in excess of those other limits.

Refer to the following pages for coverage details.

1. Bailees Coverage .....	\$25,000
2. Employment–Related Practices Liability Insurance .....	\$5,000
3. Product Recall .....	\$10,000





OREGON MUTUAL INSURANCE COMPANY  
BUSINESSOWNERS  
SPECIAL CLUSTER ENDORSEMENT

M2624B (8-20)

**SECTION I – PROPERTY**

**1. Accounts Receivable**

Paragraph **A.6.f. (2)** Coverage Extensions, Accounts Receivable under **Section I – Property** is replaced with:

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$25,000. This amount is in addition to any limits shown for accounts receivables in the Declarations.

For accounts receivables not at the described premises, the most we will pay is \$7,500.

**2. Arson Reward**

The following is added to Paragraph **A.5. Additional Coverages** under **Section I – Property**:

- A. We will pay an additional amount of \$2,500 in any one occurrence as a reward for information leading to an arson conviction for damage to covered property.
- B. No deductible applies to this Additional Coverage.

**3. Brands And Labels**

The following is added to Paragraph **E.6. Loss Payment Conditions** under **Section I – Property** of the policy:

- A. 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 damaged property at an agreed or appraised value. If we do take all or a part of the damaged property you may:
1. Stamp 'salvage' on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
  2. 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.
- B. The most we will pay for the reasonable costs you incur to perform the activity in 1. and 2. above is \$50,000 in any one occurrence.
- C. No deductible applies to this coverage.

**4. Computer Fraud**

The following is added to **A.5. Additional Coverages** under **Section I – Property**:

- A. We will pay for loss resulting directly from a fraudulent entry of electronic data or computer program into or change of electronic data or computer program within any computer system owned, leased or operated by you, provided the fraudulent entry or fraudulent change causes

"money" or "securities" or other property of intrinsic value to be debited, deleted, or transferred from inside your premises, or a banking institution or similar safe depository to another person (other than a messenger) to a premises other than the premises described in the Declarations.

- B. The most we will pay under this Additional Coverage is \$5,000 in any one policy period.
- C. The deductible applicable to **Section I – Property** of the policy applies to this coverage.

**5. Computers Off Premises Including World Wide Coverage**

The following is added to **A.5. Additional Coverages** under **Section I – Property**:

- A. We will pay for direct physical loss or damage caused by or resulting from any Covered Cause of Loss to laptops, palmtops, tablets, and similar portable computer equipment, personal digital assistants, and related accessories anywhere in the world including in transit.
- B. We will not pay for loss to property checked as luggage while in transit.
- C. The most we will pay for this Additional Coverage is \$10,000 in any one occurrence.
- D. The deductible applicable to **Section I – Property** of the policy applies to this coverage.

**6. Debris Removal**

Paragraph **A.5.a.(4)** Additional Coverages, Debris Removal under **Section I – Property** is replaced with the following:

- (4) We will pay up to an additional \$20,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit Of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if Paragraphs **(4)(a)** and/or **(4)(b)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit Of Insurance on the Covered Property that has sustained loss or damage, plus \$20,000.

7. **Employee Dishonesty**

Paragraph **G.3.c.** Optional Coverages, Employee Dishonesty under **Section I – Property** is amended to:

- c. The most we will pay for the loss or damage in any one occurrence is the Limit Of Insurance for Employee Dishonesty shown in the Declarations plus \$25,000.

8. **Employee Tools**

The following is added to Paragraph **A.1.b.** Covered Property, Business Personal Property under **Section I – Property**:

Employee Tools

The following is added to Paragraph **A.4.** Limitations:

The most we will pay for loss or damage to Employee Tools in any one occurrence is \$5,000. The most we will pay for loss or damage to any one item or tool is \$2,000.

The following paragraph is added to **A.6.** Coverage Extensions, under **b.** Personal Property Off-Premises:

You may extend the insurance provided by this policy to apply to Employee Tools within the course of transit in a mobile repair unit. The most we will pay for loss or damage under this extension is \$5,000 but no more than \$2,000 for any one item or tool.

The deductible applicable to **Section I – Property** of the policy applies to this coverage.

9. **ERISA Extension**

The following is added to Paragraph **G.3.** Optional Coverages, Employee Dishonesty under **Section I – Property**:

In Compliance with certain provisions of the Employee Retirement Income Security Act (ERISA);

- (1) Employee also includes any natural person who is:
  - (a) A trustee, an officer, employee, administrator or a manager, except an administrator or a manager who is an independent contractor, of any "employee benefit plan(s)" (herein after called Plan) insured under this insurance; and
  - (b) Your director or trustee while that person is handling funds or other property of any Plan insured under this insurance.
- (2) If any Plan is insured jointly with any other entity under this policy, you or the Plan Administrator must select a Limit Of Insurance for this Optional Coverage that is sufficient to provide an amount of insurance for each Plan that is at least equal to that

required if each Plan were separately insured.

- (3) If the Insured first named in the Declarations that apply to this policy is an entity other than a Plan, any payment we make to you for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.
- (4) If two or more Plans are insured under this insurance, any payment we make for loss:
  - (a) Sustained by two or more plans; or
  - (b) Of commingled funds or other property of two or more Plans;that arises out of one occurrence, is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.
- (5) The Deductible provision contained in this policy does not apply to loss sustained by any Plan subject to ERISA which is insured under this Optional Coverage.
- (6) "Employee benefit plan(s)" means any welfare or pension benefit plan that is subject to the Employee Retirement Income Security Act of 1974 (ERISA).

10. **Errors And Omissions In Describing A Premises Or Location**

The following is added to Paragraph **E.6.** Loss Payment Conditions under **Section I – Property** of the policy:

- A. You will not be penalized because of any unintentional error or omission you may make in listing or describing a premises or location to be covered under this policy.
- B. No deductible applies to this coverage.

11. **Extended Business Income (Resumption Of Full Operations)**

Paragraph **A.5.f.(2)(a)(ii)**ii. Additional Coverages, Extended Business Income under **Section I – Property** is replaced with:

- ii. 90 consecutive days after the date determined in Paragraph **(a)(i)** above, unless a greater number of consecutive days is shown in the Declarations.

12. **Fine Arts**

The following is added to **A.5.** Additional Coverages under **Section I – Property**:

- A. We will pay for loss or damage to your "fine arts" and "fine arts" owned by others that are in your care, custody and control 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 Declarations is \$10,000 in any one occurrence.
- C. "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.
- D. The deductible applicable to **Section I – Property** of the policy applies to this coverage.

13. **Fire Department Service Charge And Replacement Of Fire Extinguishing Materials**

Paragraph **A.5.c.** Additional Coverages, Fire Department Service Charge under **Section I – Property** is replaced by the following:

- A. When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 for your liability for fire department service charges:
  - 1. Assumed by contract or agreement prior to loss; or
  - 2. Required by local ordinance.
- B. We 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.

14. **Forgery Or Alteration**

Paragraph **A.5.k.(3)** Additional Coverages, Forgery Or Alteration under **Section I – Property** is replaced with:

- (3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$25,000. This amount is in addition to any limit shown for Forgery Or Alteration in the Declarations.

15. **Inventory And Appraisal Cost**

- A. We will pay for the cost of any inventory or appraisal required by Paragraph **E.2.** Property Loss Conditions under **Section I – Property** 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 we will pay for this Additional Coverage is \$5,000 in any one occurrence.
- C. No deductible applies to this coverage.

16. **Lost Key And Lock Replacement**

The following is added to **A.5.** Additional Coverages under **Section I – Property**:

- A. We will pay the necessary expenses you incur from a Covered Cause of Loss to:
  - 1. Replace locks;
  - 2. Re-key or reprogram the current locks to accept new keys;
  - 3. Install new lock cylinders;
  - 4. Provide new master keys;
  - 5. Replace existing locks with new locks of like kind and quality.
- B. The most we will pay for this Additional Coverage is \$5,000 in any one occurrence.
- C. The deductible applicable to **Section I – Property** of the policy applies to this coverage.

17. **Mechanical Breakdown Of Computer Equipment**

The following is added to **A.5.** Additional Coverages under **Section I – Property**:

- A. "Computer Equipment"  
We will pay for direct physical loss or damage to covered "computer equipment" inside your 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"  
We will pay for loss or damage to your "data" or "media" caused when your "computer equipment" mechanically breaks down or malfunctions while "data" is being run through the system. We will pay for loss or damage to your "data" or "media" caused by electrical or magnetic injury, disturbance, or erasure of electronic recordings provided that the damage occurs inside your building.
- C. Coverage Restriction  
We will not pay for loss or damage caused by any change in your electric power supply, such as interruption, power surge, or brown out, if the change originates more than 100 feet from the building containing your "computer equipment".
- D. Limit Of Insurance  
The most we will pay for loss or damage in any one occurrence is \$10,000.
- E. The deductible applicable to **Section I – Property** of the policy applies to this coverage.

F. Definitions

1. "Computer Equipment" means:
  - a. Your programmable electronic equipment that is used to store, retrieve and process data. It includes their component parts and air conditioning, fire suppression equipment and electrical equipment used exclusively in your computer operations; and
  - b. Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission.

It does not include "data" and "media".

2. "Data" means:
  - a. Data stored on "media" and
  - b. Programming records used for electronic data processing or electronically controlled equipment.
3. "Media" means electronic data processing, recording or storage media such as software, films, tapes, discs, drums or cells.

18. **Money And Securities**

Paragraph **G.2.c.** Optional Coverages, Money And Securities under **Section I – Property** is replaced with:

- c. The most we will pay for loss in any one occurrence is:
  - (1) \$5,000 in addition to any limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
    - (a) In or on the described premises; or
    - (b) Within a bank or savings institution; and
  - (2) The most we will pay for loss in any one occurrence is \$5,000 in addition to any limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.

19. **Money Orders And Counterfeit Paper Currency**

The last paragraph of **A.5.j.** Additional Coverages, Money Orders And Counterfeit Paper Currency under **Section I – Property** is replaced with:

The most we will pay for any loss under this Additional Coverage is \$25,000.

20. **Newly Acquired Or Constructed Property**

The last paragraphs of **A.6.a.(1)** and **(2)** Coverage Extensions, Newly Acquired Or Constructed Property under **Section I – Property** are replaced with:

(1) Buildings

The most we will pay for loss or damage under this Extension is \$1,000,000 at each building.

(2) Business Personal Property

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

Paragraph **A.6.(3)(b)** Period of Coverage is replaced with:

- (b) 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property, or

21. **Ordinance Or Law – Building Coverage**

Paragraph **A.5.i.** Additional Coverages, Increased Cost of Construction under **Section I – Property** is deleted and replaced by the following:

Ordinance or Law

A. Application of Coverage

This Additional Coverage applies only if both **A.1.** and **A.2.** below are satisfied and are then subject to the qualifications set forth in **A.3.**

1. The ordinance or law:
  - a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
  - b. Is in force at the time of loss.But this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in the complying with recommended actions or standards that exceed actual requirement are not covered under this endorsement.
2. The building sustains direct physical damage:
  - a. That is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or
  - b. That is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.
  - c. But if the damage is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical damage.

3. In the situation described in **A.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **1, 2** and/or **3** of this Additional Coverage. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage alone would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **1, 2** and/or **3** of this Additional Coverage.

**B. We will not pay under this Additional Coverage for:**

1. Enforcement of or compliance with 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 "fungi", wet rot or dry rot; or
2. The costs associated with the enforcement of or compliance with 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", "fungi", wet rot or dry rot.

"Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

**C. Coverage**

1. **Coverage 1 – Coverage For Loss To The Undamaged Portion Of The Building**

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **1** for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building. Coverage **1** is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage **1** does not increase the Limit Of Insurance.

2. **Coverage 2 – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

**Paragraph E.6.d. Loss Payment**

Property Loss Condition does not apply to Coverage **2 – Demolition Cost Coverage.**

3. **Coverage 3 – Increased Cost Of Construction Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- a. Repair or reconstruct damaged portions of that building; and/or
- b. Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the 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. Loss Payment**

Property Loss Condition does not apply to Coverage **3 – Increased Cost Of Construction Coverage.**

- D. **Limit Of Insurance**

The most we will pay for Coverages **2 & 3** combined is 10% of the Limit Of Insurance applicable to the covered building property shown in the Declarations or \$250,000 whichever is less. If a damaged building(s) is covered under a blanket Limit Of Insurance which applies to more than one building or item or property, then the most we will pay under this Additional Coverage, for each damaged building is the lesser of \$250,000.

- E. Loss Payment
1. All following loss payment Provisions **E.2.** through **E.4.** are subject to the apportionment procedure set forth in Section **A.3.** of this Additional Coverage.
  2. When there is a loss in value of an undamaged portion of a building to which Coverage **1** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
    - a. If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
      - (1) 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
      - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
    - b. If the property is **not** repaired or replaced, we will not pay more than the lesser of:
      - (1) The actual cash value of the building at the time of loss; or
      - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
  3. Loss payment under Coverage **2** – Demolition Cost Coverage will be determined as follows:  
We will not pay more 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 **D.** Limit Of Insurance.
  4. Loss payment under Coverage **3** – Increased Cost Of Construction will be determined as follows:
    - a. We will not pay under Coverage **3**:
      - (1) Until the property is actually repaired or replaced, at the same or another premises; and
      - (2) Unless the repair or replacement is 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. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **3** is the lesser of:
      - (1) The increased cost of construction at the same premises; or
      - (2) The amount shown in Paragraph **D.** Limit Of Insurance.
    - c. If the ordinance or law required relocation to another premises, the most we will pay under Coverage **3** is the lesser of:
      - (1) The increased cost of construction at the new premises; or
      - (2) The amount shown in Paragraph **D.** Limit Of Insurance.
- F. The terms of this Additional Coverage applies apply separately to each building.
- G. Under this Additional 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.
- H. Conditions
1. This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
  2. The costs addressed in the Loss Payment Property Loss Condition in **Section I – Property** do not include the increased cost attributable to enforcement of or compliance with an ordinance or law.



The amount payable under this Additional Coverage, as stated in Paragraph **D.** of this Additional Coverage is not subject to such limit.

I. Deductible

The deductible applicable to **Section I – Property** of the policy applies to this coverage.

22. **Ordinance Or Law – Increased Period of Restoration**

The following is added to **A.5.** Additional Coverages under **Section I – Property**:

A. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period suspension of "operations" caused by or resulting from a requirement to comply with any ordinance of law that:

1. Regulates the construction or repair of any property;
2. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
3. Is in force at the time of loss.

However, coverage is not extended under this Additional Coverage to include loss caused or resulting from the enforcement of or compliance with any ordinance or law which requires:

1. 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 "fungi", wet or dry rot or bacteria, or
2. 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", "fungi", wet or dry rot or bacteria.

"Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

B. The period of restoration definition with respects to this coverage is replaced with:

"Period of restoration" means the period of time that:

1. Begins immediately after the time of direct physical damage loss or damage for Extra Expense coverage, caused by or resulting from any Covered Cause of Loss at the premises described, and
2. Ends on the earlier of:
  - a. The date when the property at the premises described should be repaired,

rebuilt, or replaced with reasonable speed and similar quality; or

- b. The date when business is resumed at a new permanent location.

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulations reconstruction or repair, or requires the tearing down of any property.

The expiration of this policy will not cut short the "period of restoration".

23. **Outdoor Property**

Paragraph **A.5.** of the **Businessowners Amendatory Endorsement** does not apply.

The following replaces Paragraph **A.6.c.** Coverage Extensions, Outdoor Property of **Section I – Property** of the policy:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, retaining walls, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs, or plants which are part of a vegetated roof or other than stock of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion;
- (5) Aircraft;
- (6) Vehicle Damage; or
- (7) Vandalism or Malicious Mischief.

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.

The deductible applicable to **Section I – Property** of the policy applies to this coverage. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

24. **Outdoor Unattached Signs**

Paragraph **G.1.d.** Optional Coverages, Outdoor Signs under **Section I – Property** is replaced with the following:

- d. The most we will pay for loss or damage in any one occurrence is \$10,000. This amount is in addition to any Limit Of Insurance shown for outdoor unattached signs in the Declarations.

25. **Permanent Outdoor Structures For Trash Bins**

The following is added to **G. Optional Coverages** under **Section I – Property**:

- A. We will pay for direct physical loss or damage to permanent outdoor structures designed to contain trash or recycling bins at the described premises:
  - 1. Owned by you; or
  - 2. Owned by others but in your care, custody or control.
- B. Paragraph **A.3. Covered Causes of Loss**, and Paragraph **B. Exclusions in Section I – Property**, 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 \$5,000.
- E. The deductible applicable to **Section I – Property** of the policy applies to this coverage.

26. **Personal Effects**

Paragraph **A.6.d. Coverage Extensions, Personal Effects** under **Section I – Property** is replaced with:

- A. You may extend the insurance that applies to Business Personal Property to apply to personal effect owned by you, your officers, your partners or "members", your "managers" or your employees, including temporary or leased employees. This extension does not apply to tools or equipment used in your business.
- B. The most we will pay for loss or damage under this Extension is \$5,000 at each described premises.
- C. The deductible applicable to **Section I – Property** of the policy applies to this coverage.

27. **Personal Property Off Premises**

Paragraph **A.6.b. Coverage Extensions, Personal Property Off Premises** under **Section I – Property** is replaced with:

- A. You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivables, while it is

in the course of transit or 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.

- B. We will also pay for direct physical loss or damage to display booths and related equipment and Covered Property owned by you, or owned by others but in your care, custody or control, while being used at or transported to or from events away from you premises.
- C. The most we will pay for loss or damage under this Extension is \$25,000.
- D. The deductible applicable to **Section I – Property** of the policy applies to this coverage.

28. **Pollution Clean Up And Removal**

The last paragraph of **A.5.h. Additional Coverages, Pollutant Clean Up And Removal** under **Section I – Property** is replaced with:

The most we will pay for each location under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of a Covered Cause of Loss occurring during each separate 12 month period of this policy.

29. **Property Of Others**

Paragraph **A.1. of the Businessowners Amendatory Endorsement** is amended to include: However, Paragraph **E.6.d.(3)(b)** does not apply to the first \$25,000 of loss under this coverage. The deductible applicable to **Section I – Property** of the policy applies to this coverage.

30. **Spoilage of Perishable Stock**

**Section I – Property** of the Policy is extended to insure against direct physical loss or damage to "perishable stock".

The following provisions (**A. through I. inclusive**) apply to the coverage provided herein:

- A. Paragraph **A.1. Covered Property** 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 in Section I – Property**:

Property located:

- (1) On buildings;
- (2) In the open; or
- (3) In vehicles.

- C. Paragraph **A.3. Covered Causes Of Loss in Section I – Property** is replaced by the following:

3. **Covered Causes Of Loss**

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 in Section I – Property** is replaced by the following:

B. **Exclusions**

1. Of the Exclusions contained in Paragraph **B.1.** in **Section I – Property**, 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 **Property Loss Conditions in Section I – Property**, item **d.** of Condition **6. Loss Payment** is replaced by the following:

- d. 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 in Section I – Property** does not apply.

- H. The following is added to Paragraph **H. Property Definitions in Section I – Property**: "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 **Section I – Property** of the policy applies to this coverage.

31. **Utility Services – Direct Damage**

The following is added to **A.5. Additional Coverages** under **Section I – Property**:

- A. We will pay for loss or damage to Covered Property at the described premises, caused by the interruption of service at the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph **C.** of this coverage.
- B. Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to "electronic data" including destruction or corruption of "electronic data".
- C. Utility Services
  - 1. Water Supply Property, meaning the following types of property supplying water to the described premise:
    - a. Pumping stations; and
    - b. Water mains.
  - 2. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave, or television services to the described premises, such as:
    - a. Communication transmission lines including optic fiber transmission lines;
    - b. Coaxial cables;
    - c. Microwave radio relays except satellites; and
    - d. Digital signal processors.
  - 3. Power Supply Property, meaning the following types of property supplying electricity, steam, or gas to the described premises:
    - a. Utility generating plants;
    - b. Switching stations;
    - c. Substations;
    - d. Transformers; and
    - e. Transmission lines.
- D. As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.
- E. The most we will pay for loss or damage under this Additional Coverage is \$10,000 in any one occurrence.
- F. "Electronic Data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software

which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.

- G. The deductible applicable to **Section I – Property** of the policy applies to this coverage.

32. **Utility Services – Time Element**

The following is added to **A.5. Additional Coverages** under **Section I – Property**:

- A. We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in Paragraph **C.** of this coverage part.
- B. Coverage under this endorsement does not apply to Business Income loss or Extra Expense related to interruption in utility services which causes loss or damage to the "electronic data", including destruction or corruption of "electronic data".
- C. Utility Services
  - 1. Water Supply Property, meaning the following types of property supplying water to the described premise:
    - a. Pumping stations; and
    - b. Water mains.
  - 2. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.
  - 3. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave, or television services to the described premises, such as:
    - a. Communication transmission lines including optic fiber transmission lines;
    - b. Coaxial cables;
    - c. Microwave radio relays except satellites; and
    - d. Digital signal processors.

4. Power Supply Property, meaning the following types of property supplying electricity, steam, or gas to the described premises:
    - a. Utility generating plants;
    - b. Switching stations;
    - c. Substations;
    - d. Transformers; and
    - e. Transmission lines.
  - D. As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.
  - E. The most we will pay for loss or damage under this Additional Coverage is \$10,000 in any one occurrence.
  - F. We will only pay under this coverage if the covered interruption of services lasts more than 12 consecutive hours.
  - G. "Electronic Data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.
33. **Valuable Papers And Records**  
 Paragraph **A.6.e.(3)** Coverage Extensions, Valuable Papers and Records under **Section I – Property** is replaced with:
- (3) 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 \$35,000. This amount is in addition to any Limit Of Insurance for "valuable papers and records" shown in the Declarations.  
 For "valuable papers and records" not at the described premises, the most we will pay is \$10,000.
34. **Water Back-Up And Sump Overflow**  
 The following is added to **A.5. Additional Coverages** under **Section I – Property**:
- A. We will pay for loss or damage to Covered Property at the premises described in the Declarations caused by or resulting from:
    1. Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
    2. Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from a mechanical breakdown of a sump pump or its related equipment.

However, with respects to Paragraph **A.2.** above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of a mechanical breakdown.
  - B. The coverage described in Paragraph **A.** of this Additional Coverage does not apply to loss or damage resulting from:
    1. An insured's failure to keep a sump pump or its related equipment in proper working condition; or
    2. An insured's failure to perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.
  - C. The most we will pay for loss under this Additional Coverage is \$100,000 per occurrence.
  - D. Paragraph **B.1.g. Exclusions** under **Section I – Property** is replaced with:
    - g. Water
      - (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
      - (2) Mudslide or mudflow;
      - (3) Water under the ground surface pressing on, or flowing or seeping through:
        - (a) Foundations, walls, floors or paved surfaces;
        - (b) Basements, whether paved or not; or
        - (c) Doors, windows or other openings; or
      - (4) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **(1)** or **(3)**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(4)**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (4), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- F. For the purposes of this Additional Coverage, the term drain includes a roof drain and related fixtures.
- G. The deductible applicable to **Section I – Property** of the policy applies to this coverage.

## SECTION II – LIABILITY

### 1. Bailees Coverage

Paragraph **B.1.k.(4)** Exclusions, Damage to Property under **Section II – Liability Exclusion**, is amended to read:

Personal property in the care, custody, or control of the insured:

This Paragraph does not apply to personal property left in your care, custody, or control for repairing, processing or safekeeping.

The most we will pay for Bailees Coverage is \$25,000 in any one "occurrence".

### 2. Employment–Related Practices Liability Insurance

- A. The Employment–Related Practices Exclusion (BP 04 17) or (BP 04 60) attached to this policy, applies to this policy with respect to:
  - 1. Losses that are below the \$250 deductible stated in Paragraph **F.**, and
  - 2. Losses that exceed the \$5,000 limit shown in Paragraph **D.**
- B. If Businessowners Liability (Section II) Exclusion (M2375B) applies to this policy, Employment–Related Practices Liability Insurance coverage is not applicable.
- C. The Businessowners Liability coverage provided by this policy includes "bodily injury" or "personal and advertising 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 and advertising 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. Additional Exclusions

- 1. The Fair Labor Standards Act, or any state or common law wage or hour law, including, but not limited to laws governing minimum wages, hours worked, overtime compensation, and including any recordkeeping and reporting related thereto.

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

### 3. Product Recall

#### A. Coverage

We will reimburse you for "product recall expenses" incurred by you because of a "product recall" to which this insurance applies.

- B. Paragraph **B.1.o.** Exclusions, Recall Of Products, Work Or Impaired Property under **Section II – Liability Exclusion** is replaced with:

- 1. Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
  - a. "Your product", or
  - b. "Your work", or
  - c. "Impaired property",If such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected "defect," deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall defense" that you incur due to a covered "product recall" of "your product".
- 2. This insurance does not apply to "product recall expense" arising out of:
  - a. Breach of warranty and failure to conform to intended purpose. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or "property damage" to tangible property other than "your product".

- b. Infringement of copyright, patent, trade secret, trade dress, or trademark.
  - c. Deterioration, decomposition, or chemical transformation. This exclusion does not apply if it is caused by:
    - (1) And error in manufacturing, design, or processing; or
    - (2) Transportation of "your product"; or
    - (3) "Product tampering"; or
  - d. Loss of goodwill, market share, revenue, "profit", or cost of redesign; or
  - e. Expiration of shelf life; or
  - f. A known defect if it was known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this coverage was first issued, or prior to the time "your product" leaves your control or possession; or
  - g. A recall for products which have been otherwise excluded under "bodily injury" or "property damage"; or
  - h. A recall initiated because "your product" or a portion of "your product" has been banned from the market by an authorized government entity prior to the date this "product recall" coverage was first issued, or distributed and sold by you subsequent to any government ban; or
  - i. The defense of a claim or "suit" against you for liability arising out of a "product recall"; or
  - j. Any compensatory damages, fines, penalties, punitive or exemplary or other non-compensatory damages imposed.
3. Limits of Insurance
- A. The most we will pay for losses occurring in any one "product recall" is \$10,000.
  - B. If Businessowners Liability (Section II) Exclusion (M2375B) applies to this policy, Product Recall coverage is not applicable.
4. Definitions
- a. "Defect" means a "defect", deficiency or inadequacy that creates a dangerous condition.
  - b. "Product recall" means the recall or withdrawal of "your product" from the market or from use by any other person or organization, because of known or suspected "defects" which has caused or is reasonably expected to cause "bodily injury" or "physical damage" to tangible property other than "your product". Electronic data is not tangible property.
  - c. "Product recall expense" means those reasonable and necessary extra, expenses listed below, paid and directly related to a "product recall":
    - (1) Costs of notification;
    - (2) Costs of stationary, envelopes, production of announcements and postage or facsimiles;
    - (3) Costs of overtime paid to your regular non-salaried employees and costs incurred by your employees, including cost of transportation and accommodation;
    - (4) Costs of computer time;
    - (5) Costs of hiring independent contractors and other temporary employees;
    - (6) Costs of transportation, shipping or packaging;
    - (7) Costs of warehouse or storage space; or
    - (8) Costs of proper disposal of "your products" or products that contain "your products", that cannot be reused, not exceeding the purchase price or your cost to produce the product whichever is less.
  - d. "Product tampering" means an act of intentional alteration of "your product" which has caused or is reasonably expected to cause "bodily injury" or "property damage" to tangible property other than "your product".  
When "product tampering" is known, suspected, or threatened, a "product recall" will be limited to those batches of "your product" known or suspected to have been tampered with.  
For the purpose of this insurance electronic data is not tangible property.
  - e. "Profit" means the positive gain from business operation after subtracting for all expenses.