



OREGON MUTUAL INSURANCE COMPANY
BUSINESSOWNERS
CLUSTER ENDORSEMENT

M2630B (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.

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. ERISA Extension Included In Employee Dishonesty Limit
5. Errors And Omissions In Describing A Premises Or Location Included In Section I Limits
6. Fine Arts..... \$10,000
7. Fire Department Service Charge And Replacement Of Fire Extinguishing Materials..... \$10,000
8. Inventory And Appraisal Cost..... \$2,500
9. Mechanical Breakdown Of Computer Equipment..... \$10,000
10. Money Orders And Counterfeit Paper Currency..... \$25,000
11. Newly Acquired Or Constructed Property..... Buildings \$1,000,000
Business Personal Property \$500,000
90 Days
12. Outdoor Property \$10,000/\$500 Per Tree Shrub Or Plant
13. Outdoor Unattached Signs \$10,000
14. Permanent Outdoor Structures For Trash Bins..... \$5,000
15. Personal Property Off Premises \$10,000
16. Spoilage Of Perishable Stock..... \$15,000
17. Valuable Papers And Records At The Described Premises \$35,000
Not At The Described Premise \$10,000
18. Water Back-Up and Sump Overflow..... \$10,000

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.

Refer to the following pages for coverage details.

- 1. Employment-Related Practices Liability Insurance..... \$5,000



OREGON MUTUAL INSURANCE COMPANY
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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. 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).

5. 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.
6. **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.
7. **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 \$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. 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.
8. **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 \$2,500 in any one occurrence.
- C. No deductible applies to this coverage.

9. **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.

10. **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.

11. **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

12. **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.

13. **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.

14. **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.

15. **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 your premises.
- C. The most we will pay for loss or damage under this Extension is \$10,000.
- D. The deductible applicable to **Section I – Property** of the policy applies to this coverage.

16. **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.

17. **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.

18. **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 \$10,000 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. **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.