

POLICY NUMBER:

**BUSINESSOWNERS**  
**BP 04 15 07 13**
**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## SPOILAGE COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

### SCHEDULE

<b>Premises Number</b>	<b>Building Number</b>	<b>Refrigeration Maintenance Agreement</b>	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>Description Of Perishable Stock:</b>			
<b>Causes Of Loss</b> ( "X" which one applies.)		<b>Limit Of Insurance</b>	<b>Deductible</b>
<input type="checkbox"/> Breakdown Or Contamination	<input type="checkbox"/> Power Outage	\$	\$
<b>Premises Number</b>	<b>Building Number</b>	<b>Refrigeration Maintenance Agreement</b>	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>Description Of Perishable Stock:</b>			
<b>Causes Of Loss</b> ( "X" which one applies.)		<b>Limit Of Insurance</b>	<b>Deductible</b>
<input type="checkbox"/> Breakdown Or Contamination	<input type="checkbox"/> Power Outage	\$	\$
<b>Premises Number</b>	<b>Building Number</b>	<b>Refrigeration Maintenance Agreement</b>	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>Description Of Perishable Stock:</b>			
<b>Causes Of Loss</b> ( "X" which one applies.)		<b>Limit Of Insurance</b>	<b>Deductible</b>
<input type="checkbox"/> Breakdown Or Contamination	<input type="checkbox"/> Power Outage	\$	\$
Section I – Property is extended to insure against direct physical loss of or damage to "perishable stock" indicated in the Schedule, caused by the Covered Cause(s) of Loss, as provided by this endorsement. Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

The following provisions (A. through I. inclusive) apply to the coverage provided by this endorsement:

**A. Paragraph A.1. Covered Property in Section I – Property** is replaced by the following:

**1. Covered Property**

Covered Property means "perishable stock" shown in the Schedule 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 except as otherwise provided in Loss Payment Property Loss Condition E.5.d.(3)(b).

**B. The following is added to Paragraph A.2. Property Not Covered in Section I – Property:**

- k. 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 Paragraph E. of this endorsement, Covered Causes of Loss means the following, as indicated in the Schedule:

- 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 shown in the Schedule; or
  - (2) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises shown in the Schedule.

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 A.6. Coverage Extensions in Section I – Property** does not apply.

**E. 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.

**F. Paragraph D. Deductibles in Section I – Property** is replaced by the following:

**D. Deductibles**

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this endorsement.

## **G. Conditions**

1. Under **Property Loss Conditions** in **Section I – Property**, Item **d.** of Condition **5. 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.

2. The following condition applies in addition to the **Property Loss Conditions** (as modified in 1. above) and **Property General Conditions** in **Section I – Property** and **Section III – Common Policy Conditions**:

### **Additional Condition – Refrigeration Maintenance Agreements**

If Breakdown or Contamination is designated as a Covered Cause of Loss and a refrigeration maintenance agreement is shown as applicable in the Schedule, the following condition applies:

You must maintain a refrigeration maintenance or service agreement as described below. If you voluntarily terminate this agreement and do not notify us within 10 days, the insurance provided by this endorsement under the Breakdown or Contamination Covered Cause of Loss will be automatically suspended at the location involved.

However, coverage provided by this endorsement is restored upon:

- a. Reinstatement of the applicable refrigeration maintenance or service agreement; or
- b. Procurement of a replacement refrigeration maintenance or service agreement.

A refrigeration maintenance agreement means a written service contract, between you and the refrigeration service organization, which provides for regular periodic inspection of the refrigeration equipment at the insured location, and the servicing and repair of the equipment, including emergency response at the insured location.

- H. Paragraph **G. Optional Coverages** in **Section I – Property** does not apply.

- I. The following is added to Paragraph **H. Property Definitions** in **Section I – Property**:

"Perishable stock" means property:

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