

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

## NAMED PERILS

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS COVERAGE FORM

**Section I – Property** in the Businessowners Coverage Form is amended as follows:

**A. Paragraph b. under A.2. Property Not Covered** is replaced by the following:

**b.** Bullion, except as provided in the Burglary And Robbery Optional Coverage, and "money" or "securities" except as provided in the:

(1) Burglary And Robbery Optional Coverage; or

(2) Employee Dishonesty Optional Coverage.

**B. Paragraph A.3. Covered Causes Of Loss** is replaced by the following:

#### **3. Covered Causes Of Loss**

**a.** Fire.

**b.** Lightning.

**c.** Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:

(1) Rupture, bursting or operation of pressure relief devices; or

(2) Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.

**d.** Windstorm or Hail, but not including:

(1) Frost or cold weather;

(2) Ice (other than hail), snow or sleet, whether driven by wind or not;

(3) Loss of or damage to awnings or canopies of fabric or slat construction, including their supports, outside of buildings;

(4) Loss of or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters; or

(5) Loss or damage by hail to lawns, trees, shrubs or plants which are part of a vegetated roof.

**e.** Smoke, causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.

**f.** Aircraft or vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property or with the building or structure containing the Covered Property. This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.

**g.** Riot or Civil Commotion, including:

(1) Acts of striking employees (including temporary or leased employees) while occupying the described premises; and

(2) Looting occurring at the time and place of a riot or civil commotion.

**h.** Vandalism, meaning willful and malicious damage to, or destruction of, Covered Property. We will not pay for loss or damage caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.

- i. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:

- (1) Repair or replace damaged parts of the Automatic Sprinkler System if the damage:

- (a) Results in sprinkler leakage; or
- (b) Is directly caused by freezing.

- (2) Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

- (3) Automatic Sprinkler System means:

- (a) Any automatic fire protective or extinguishing system, including connected:

- (i) Sprinklers and discharge nozzles;
- (ii) Ducts, pipes, valves and fittings;
- (iii) Tanks, their component parts and supports; and
- (iv) Pumps and private fire protection mains.

- (b) When supplied from an automatic fire protective system:

- (i) Nonautomatic fire protective systems; and
- (ii) Hydrants, standpipes and outlets.

- j. Sinkhole Collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into man-made underground cavities.

- k. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (1) Airborne volcanic blast or airborne shock waves;
- (2) Ash, dust or particulate matter; or

- (3) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

- l. Transportation, meaning loss or damage caused by:

- (1) Collision, derailment or overturn of a vehicle;
- (2) Stranding or sinking of vessels; and
- (3) Collapse of bridges, culverts, piers, wharves or docks.

This cause of loss applies only to Covered Property in the course of transit.

- C. Paragraph **A.4. Limitations** does not apply.

- D. Paragraph **A.5. Additional Coverages** is amended as follows:

- 1. Paragraph **d. Collapse** does not apply.
- 2. Paragraph **e. Water Damage, Other Liquids, Powder Or Molten Material Damage** does not apply.

- E. Paragraph **B. Exclusions** is amended as follows:

- 1. Paragraph **2.** is replaced by the following:
- 2. We will not pay for loss or damage caused by or resulting from:

**a. Electrical Apparatus**

Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (1) Electrical current, including arcing;
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy; or

**(4) Electromagnetic waves or microwaves.**

But if fire results, we will pay for the loss or damage caused by fire.

We will pay for loss or damage to "computer(s)" due to artificially generated electrical, magnetic or electromagnetic energy if such loss or damage is caused by or results from:

- (1)** An occurrence that took place within 100 feet of the described premises; or
- (2)** Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

**b. Burst Piping**

Rupture or bursting of water pipes (other than Automatic Sprinkler Systems) unless caused by a Covered Cause of Loss.

**c. Water Discharge**

Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss.

**d. Steam Apparatus**

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.

**e. Mechanical Breakdown**

Mechanical breakdown, including rupture or bursting caused by centrifugal force.

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply with respect to the breakdown of "computers".

**f. Errors Or Omissions**

Errors or omissions in programming, processing or storing data, as described under "electronic data" or in any "computer" operations.

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

**g. Installation, Testing, Repair**

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

**h. Electrical Disturbance**

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided for under the Additional Coverages of Section I – Property.

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

**i. Continuous Or Repeated Seepage Or Leakage Of Water**

Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

2. Paragraph 6. is replaced by the following:

**6. Accounts Receivable And Valuable Papers And Records Exclusions**

The following additional exclusions apply to the Accounts Receivable and "Valuable Papers And Records" Coverage Extensions:

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

- (1) Dishonest or criminal acts (including theft) by you or anyone else with an interest in the property, any of your or their partners, employees (including temporary or leased employees), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (a) Applies whether or not an act occurs during your normal hours of operation;
  - (b) Does not apply to a carrier for hire and acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.
  - (2) 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.
  - (3) Unauthorized instructions to transfer property to any person or to any place.
- b. 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.

- (1) Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph B.1.c., B.1.d. or B.1.f. above to produce the loss or damage.

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

- (3) Faulty, inadequate or defective:

- (a) Planning, zoning, development, surveying, siting;
- (b) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (c) Materials used in repair, construction, renovation or remodeling; or
- (d) Maintenance;  
of part or all of any property on or off the described premises.

c. Applicable to Accounts Receivable only:

We will not pay for:

- (1) Loss or damage caused by or resulting from 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.

- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

F. Paragraph **D.2. Deductibles** is replaced by the following:

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:

- a. Burglary and Robbery;
- b. Employee Dishonesty;
- c. Outdoor Signs; and
- d. Forgery or Alteration.

But this Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

G. Paragraph **E.8.b. Vacancy** Property Loss Condition is replaced by the following:

**b. Vacancy Provisions**

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (a) Vandalism; or
- (b) Sprinkler leakage, unless you have protected the system against freezing; and

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** and **b.(1)(b)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

H. Paragraph **G. Optional Coverages** is amended as follows:

1. Paragraph **2. Money And Securities** does not apply.

2. The following is added:

**5. Burglary And Robbery**

a. We will pay for direct physical loss of or damage to:

- (1) Business Personal Property, if a Limit Of Insurance is shown in the Declarations; and

(2) "Money" and "securities";

at the described premises resulting directly from actual or attempted:

(a) Burglary, meaning the taking of property from inside the described premises by a person unlawfully entering or leaving the premises as evidenced by marks of forcible entry or exit; or

(b) Robbery, meaning the taking of property from the care and custody of a person by one who has:

(i) Caused or threatened to cause that person bodily harm; or

(ii) Committed an obviously unlawful act witnessed by the person from whom the property was taken.

b. Coverage for "money" and "securities" extends to that property while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having care and custody of the property, at the described premises, or in transit between any of these places.

c. We will not pay for loss or damage:

(1) To household and personal effects in living quarters occupied by you, your partner, officer, director or stockholder or any relative of any of these.

(2) To accounts, deeds or manuscripts.

(3) To evidences of debt other than "securities".

(4) Of property that is missing when there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory.

(5) Resulting from any dishonest or criminal act:

(a) That you or any of your partners commit whether acting alone or in collusion with other persons; or

- (b) Committed by any of your employees (including temporary or leased employees), directors, trustees or authorized representatives:
  - (i) Acting alone or in collusion with other persons; or
  - (ii) While performing services for you or otherwise.
- (6) Resulting from voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- (7) Of property that has been transferred to a person or place outside the described premises on the basis of unauthorized instructions.
- (8) Resulting from delay, loss of use or loss of market.
- (9) Occurring during a fire at the described premises.
- d. The most we will pay for loss or damage in any one occurrence is:
  - (1) The 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;
- (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else; and
- (3) 25% of the Business Personal Property Limit of Insurance for all other property. But each of the following types of property are covered only up to \$2,500:
  - (a) Furs, fur garments and garments trimmed with fur;
  - (b) Jewelry, watches, watch movements, jewels, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item; and
  - (c) Patterns, dies, molds and forms.
- e. All loss or damage:
  - (1) Caused by one or more persons; or
  - (2) Involving a single act or series of related acts;
 is considered one occurrence.

I. Paragraph **H.12. Definitions** does not apply.