

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

(THIS FORM MUST BE ACCOMPANIED BY A COVERAGE ENHANCEMENT ENDORSEMENT SCHEDULE)

I. COVERAGE ENHANCEMENTS

The following Coverages are added to **A.4. Additional Coverages of the Building and Personal Property Coverage Form** unless otherwise indicated in the Schedule. Each Coverage applies only if a Limit of Insurance is shown in the Coverage Enhancement Endorsement Schedule (for the purposes of this endorsement, referred to as "the Schedule".) and the **COVERAGE EXCLUDED** box is not checked. Each of these coverages is additional insurance. The **Coin-surance** condition does not apply to the following coverages. Unless otherwise noted, all terms, conditions, exclusions and restrictions of Building and Personal Property Coverage Form apply to these coverages. See the Schedule for the Limit of Insurance and Deductible that applies to each coverage. Unless otherwise indicated within each coverage below, refer to **CP 10 30 Causes of Loss – Special Form** to determine Covered Causes of Loss.

A. Mechanical Breakdown and Artificially Generated Electrical Current Coverage

1. Your coverage for Business Personal Property is extended to provide Additional Causes of Loss.
2. Your Additional Causes of Loss are Mechanical Breakdown and Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.
3. Under **CP 10 30 Causes of Loss – Special Form**, Exclusions **B.2.a.** concerning artificially generated electrical current, and **B.2.d.(6)** concerning mechanical breakdown do not apply to this Coverage.
4. We will not pay, under this Coverage, for loss or damage to boilers, fired vessels, unfired vessels, and steam piping normally subject to vacuum or internal pressure other than the weight of its contents.

5. The most we will pay for the aggregate of all losses in any one policy term is the Mechanical Breakdown and Artificially Generated Electrical Current Coverage Limit of Insurance shown in the Schedule.

B. Electronic Data Processing Equipment Systems Breakdown Coverage

1. We will pay, under this Additional Coverage, for loss or damage arising out of a Covered Cause of Loss to Covered Property located on an insured premises.
2. Under this Additional Coverage, Covered Property means "Electronic Data Processing Equipment" and "Electronic Data Processing Media" which you own, lease, or rent from others or for which you are legally responsible.
3. Under this Additional Coverage, Covered Cause of Loss means loss or damage resulting from or caused by:
 - a. Machinery malfunction;
 - b. Short circuit, blowout or other electrical damage or disturbance;
 - c. Faulty construction, error in design, or actual work upon property covered. However, this Cause of Loss is not covered for "electronic data processing media";
 - d. Electrical or magnetic injury, disturbance, or erasure of electronic recordings.

4. EXCLUSIONS

Under this Additional Coverage, we will not pay for:

- a. Loss or damage resulting from:
 - i. Error or omission on machine programming or incorrect instruction to machine; or

- ii. Interruption of power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 100 feet from an insured premises.
- b. Loss or damage to:
 - i. Property loaned, leased or rented to others while away from the premises listed in the Declarations; or
 - ii. Data or media which cannot be replaced with others of the same kind and quality; or
 - iii. Accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents. But we will cover such property when it is converted to computer readable data form and then only in that form.
- 5. Under **CP 10 30**, Causes of Loss – Special Form, Exclusion **B.3.c. (2), (3), and (4)** do not apply to this Additional Coverage.
- 6. The most we will pay for the aggregate of all losses in any one policy term is the Electronic Data Processing Equipment Systems Breakdown Coverage Limit of Insurance shown in the Schedule.

C. Back Up of Sewers and Drains Coverage

- 1. We will pay, under this Additional Coverage, for loss or damage arising out of a Covered Cause of Loss to Covered Property at the premises described in the declarations.
- 2. Under this Additional Coverage, Covered Property means Covered Property under **CP 00 10 Building and Personal Property Coverage Form**.
- 3. Under this Additional Coverage, Covered Cause of loss means loss or damage resulting from or caused by water that backs up from sewers or drains.
- 4. For the purposes of this Additional Coverage only, under **CP 10 30, Causes of Loss – Special Form**, Exclusion **B.1.g. Water** is deleted and replaced by the following:

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (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.

- 5. But if Water, as described in **g.(1)** through **g.(3)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.
- 6. The most we will pay for the aggregate of all losses in any one policy term is the Backup of Sewers and Drains Coverage Limit of Insurance shown in the Schedule.

D. Spoilage Coverage

- 1. We will pay, under this Additional Coverage, for loss or damage arising out of a Covered Cause of Loss to Covered Property at the premises described in the declarations.
- 2. The Covered Causes of Loss under this Additional Coverage are:
 - a. Breakdown or Contamination, meaning:
 - (1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises.
 - (2) Contamination by the refrigerant.
 - 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.
- 3. Only the following Exclusions contained in Paragraph **B.1.** of form **CP 10 30 Causes of Loss Special Form** apply to Spoilage Coverage:
 - a. Earth Movement;
 - b. Governmental Action;
 - c. Nuclear Hazard;
 - d. War And Military Action; and
 - e. Water.

4. EXCLUSIONS

The following additional Exclusions apply to this additional coverage:

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.
5. The most we will pay for the aggregate of all losses in any one policy term is the Spoilage Coverage Limit of Insurance shown in the Schedule.

E. Customers Property on Your Premises Coverage

1. Covered Property under your coverage for Business Personal Property is extended to include personal property of your customers and guests at an insured premises.
2. Under this Additional Coverage, we will not pay for loss or damage to money, currency, jewelry, furs, vehicles and their equipment or personal property in vehicles.
3. The most we will pay for loss to any one customer and in any one "occurrence" is the Customers Property on Your Premises Coverage Limit of Insurance shown in the Schedule.
4. Other insurance covering loss or damage to property covered under this **Customers Property on Your Premises Coverage** will be considered excess to this Coverage.
5. The deductible does not apply to this coverage.

F. Outdoor Signs Coverage

1. Under your Coverage Extension, **A.5.e. Outdoor Property**, coverage for signs is deleted and replaced by this **Outdoor Signs Coverage**.
2. Under this additional coverage, we will pay for loss or damage to outdoor signs:
 - a. whether attached to a building or not; and
 - b. that are located within 100 feet of the insured premises;if the loss or damage is caused by or results from a Covered Cause of Loss.

3. The most we will pay for loss or damage, for the aggregate of all losses in any one policy term is the Outdoor Signs Coverage Limit of Insurance shown in the Schedule.

G. "Money" and "Securities"

1. We will pay, under this Additional Coverage, for loss or damage arising out of a Covered Cause of Loss to Covered Property.
2. Under this Additional Coverage, Covered Property is "money" and "securities" you use in your business as shown by your records. Lottery tickets held for sale are not Covered Property.
3. Under this additional coverage, the covered causes of loss are theft, disappearance or destruction, however, covered causes of loss do not include the items listed under **EXCLUSIONS** in item 4. below.

4. EXCLUSIONS

We will not pay for any loss or damage caused by or resulting from:

- a. accounting or arithmetical errors or omissions;
 - b. dishonest or criminal act(s) committed by any of your "employees", directors, trustees, "members", or authorized representatives:
 - (1) acting alone or in collusion with other persons; or
 - (2) while performing services for you or otherwise.
 - c. the giving or surrendering of property in any exchange or purchase;
 - d. fire, however caused;
 - e. loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.
5. The most we will pay for all loss caused by, or involving one or more persons, whether the result of a single act or series of acts is the Money and Securities Coverage Limit of Insurance shown in the Schedule.

H. Robbery and Safe Burglary Coverage

A. We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Causes of Loss.

1. Section 1. – Inside The Premises

a. Robbery Of A Custodian

- 1) Covered Property: "Money" and "securities" inside the "premises" in the care and custody of a "custodian."
- 2) Covered Causes of Loss: Actual or attempted "robbery."

b. Safe Burglary

- 1) Covered Property: "Money" and "securities" in a safe or vault within the "premises" or "banking premises."
- 2) Covered Causes of Loss: Actual or attempted "safe burglary."
- 3) Coverage Extension

We will pay for loss from damage to a locked safe or vault located inside the "premises" resulting directly from the Covered Causes of Loss, if you are the owner of the property or are liable for damage to it.

2. Section 2. –Outside The Premises

- a. Covered Property: "Money" and "securities" outside the "premises" in the care and custody of the "messenger."
- b. Covered Causes of Loss: Actual or attempted "robbery."
- c. Coverage Extension

We will pay for loss of Covered Property resulting directly from the Covered Causes of Loss while outside the "premises" in the care and custody of an armored motor vehicle company.

But we will pay only the amount of loss that you cannot recover:

- 1) Under your contract with the armored motor vehicle company: and
- 2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

3. The most we will pay for all loss caused by, or involving one or more persons, whether the result of a single act or series of acts is the Robbery and Safe Burglary Coverage Limit of Insurance shown in the Schedule.

B. Additional Exclusions, Condition and Definitions: in addition to the provisions in the Crime General Provisions, this Coverage is subject to the following:

1. Additional Exclusions: We will not pay for loss as specified below:

- a. Acts of Employees, Directors, Trustees or Representatives: Loss resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees or authorized representatives:
 - 1) Acting alone or in collusion with other persons; or
 - 2) While performing services for you or otherwise.

- b. Fire: Loss resulting from fire, however caused, except loss:
 - 1) Of "money" or "securities;" or
 - 2) From damage to safe or vault from fire that is incidental to a Covered Cause of Loss.

c. Transfer or Surrender of Property

- 1) Loss of, or loss from damage to, property after it has been transferred or surrendered to a person or place outside the "premises" or banking premises:
 - a) On the basis of unauthorized instructions; or
 - b) As a result of a threat to do;
 - i. Bodily harm to any person; or
 - ii. Damage to any property.
- 2) But this exclusion does not apply under **Robbery and Safe Burglary Coverage, Section 2.** to loss of Covered Property while outside the "premises" or "banking premises" in the care and custody of a "messenger" if you:
 - i. Had no knowledge of any threat at the time the conveyance began; or
 - ii. Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

- d. Vandalism: Loss from damage to any property by vandalism or malicious mischief.

2. Additional Condition:
If you have reason to believe that any loss of, or loss damage to, Covered Property involves a violation of law, you must notify the police, as soon as possible.

I. Enhanced Fire Department Service Charge Coverage

1. Under your **Building and Personal Property Coverage Form CP 00 10, Additional Coverage A.4.c., Fire Department Service Charge**, is deleted.
2. We will pay the cost of:
 - a. Fire Department Service Charges; and
 - b. Foam solutions, dry chemicals, halon, or other fire extinguishing materials which have been lost, expanded, damaged or destroyed as a result of or arising out of a Covered Cause of Loss.
3. The most we will pay for all loss caused by, or involving one or more persons, whether the result of a single act or series of acts is the Enhanced Fire Department Service Charge Coverage Limit of Insurance shown in the Schedule.
4. No deductible applies to this coverage.

J. Increased Property In Transit Coverage

1. Under **E. Additional Coverage Extensions of the Causes of Loss Special Form, CP 1030**, Paragraph 1.c. of **Property in Transit** is deleted and replaced by the following:
 - 1.c. The most we will pay for loss or damage under this Extension is the Increased Property in Transit Coverage Limit of Insurance shown in the Schedule.

K. Increased Cost of Construction Coverage

1. Under your **Building and Personal Property Coverage Form CP 00 10, Additional Coverage A.4.e., Increased Cost of Construction**:
 - a. paragraph (6) is deleted and replaced by the following:

- (6) The most we will pay under this Additional Coverage for each described building insured under this Coverage form is the **Increased Cost of Construction Coverage Single Building Coverage Limit of Insurance** shown in the Schedule. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the **Increased Cost of Construction Coverage Blanket Building Coverage Limit of Insurance** shown in the Schedule.

L. Personal Effects and Property of Others Coverage

Coverage Extension **A.5.b..Personal Effects And Property Of Others** is deleted and replaced with the following:

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension at each described premises is the Personal Effects and Property of Others Limit of Insurance shown in the Schedule. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

M. Valuable Papers and Records Cost of Research Coverage

Coverage Extension **A.5.c.Valuable Papers and Records (Other Than Electronic Data)** is deleted and replaced with the following:

c. Valuable Papers And Records

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to research, replace or restore the lost information on lost or damaged valuable papers and records, including electronic data which exists on electronic or magnetic media, for which duplicates do not exist. Electronic data has the meaning described under Property Not Covered – Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) Under this Extension, the most we will pay to replace or restore the lost information at each described premises is the Valuable Papers and Records Cost of Research (Other than Electronic Data) Coverage Limit of Insurance shown in the schedule. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

N. Enhanced Property Off Premises Coverage

Coverage Extension **A.5.d Property Off Premises** is deleted and replaced with the following:

d. Property Off-Premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property, other than stock, while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate; or

- (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or

- (c) At any fair, trade show or exhibition.

(2) This Extension does not apply to property:

- (a) In or on a vehicle; or
- (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension at each described premises is the Enhanced Property Off Premises Coverage Limit of Insurance shown in the Schedule.

O. Increased Outdoor Property Coverage

The last two sentences of Coverage Extension **A.5.e. Outdoor Property** is deleted and replaced with the following:

The most we will pay for loss or damage under this Extension is the Increased Outdoor Property Coverage Limit of Insurance shown in the Schedule. However, we will not pay more than the Per Tree Limit of Insurance shown in that Schedule for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

P. Fine Arts Coverage

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

1. Covered Property, as used in this Coverage Form, means:

- a. Your "fine arts"; and
- b. "Fine arts" of others that are in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- a. Property while on exhibition at fair grounds or on the premises of any national or international exposition; or
- b. Contraband, or property in the course of illegal transportation or trade.

3. Covered Causes Of Loss

The following exclusions under form **CP 10 30 Causes of Loss –Special Form** do not apply to this Additional **Fine Arts Coverage**:

- a. **B.1.a. Ordinance Or Law;**
- b. **B.1.b. Earth Movement;**
- c. **B.1.e. Utility Services;**
- d. **B.1.g. Water;**
- e. **B.2.a. Artificially generated electrical current;**
- f. **B.2.c. Smoke, vapor or gas;**
- g. **B.2.d. Wear and Tear, etc.;**
- h. **B.2.e. Explosion of steam boilers;**
- i. **B.2.f. Continuous or repeated seepage;**
- j. **B2g. Leakage of Water, other liquids; or**
- k. **B.2.i. “Pollutants”.**

4. The following sections of form **CP 10 30 Causes of Loss –Special Form** do not apply to this additional coverage:

- a. Section **C. Limitations**
- b. Section **E. Additional Coverage Extensions.**

5. Additional Exclusions

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

- a. Breakage of art glass windows, statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property.
But we will pay for such loss or damage caused directly by fire, lightning, explosion, windstorm, earthquake, flood, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by accident to the vehicle carrying the property if these causes of loss would be covered under this Coverage Form.
- b. Any repairing, restoration or retouching of the Covered Property.
- c. 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.
- d. Unauthorized instructions to transfer property to any person or to any place.

6. Newly Acquired Property

We will cover other objects of art that you acquire during the policy period, for up to 30 days, but not beyond the end of the policy period.

The most we will pay for loss or damage under this Coverage Extension is the lesser of:

- a. 25% of the total of the Limits of Insurance shown in the Declarations for all individually listed and described items; or
- b. \$10,000.

You will report such property to us within 30 days from the date acquired and pay any additional premium that is due. If you do not report that property to us, coverage will end automatically 30 days after the date you acquire the property or at the end of the policy period, whichever occurs first.

7. Limit of Insurance

The most we will pay in any one policy term for loss or damage under this Extension is the Fine Arts Coverage Limit of Insurance shown in the Schedule. If a per item limit is scheduled in the Schedule for any particular item of fine art, that per item limit is the most we will pay for that item, and the per item limit will not impact the policy term limit.

8. Valuation

The following Valuation provisions replace any other valuation provisions in this policy as respects only to property covered under **P. Fine Arts Coverage** above.

- a. The value of each item of property that is individually listed and described in the Schedule is the applicable Limit of Insurance shown in the Schedule for that item.
- b. If the item is newly acquired within the last 90 days of loss or damage, the value will be the fair market value.
- c. The value of all other Covered Property, will be the lesser of the following:
 - (1) The cost of restoring the property to its condition immediately before the loss or damage;
 - (2) The cost of replacing the property with substantially identical property; or
 - (3) The fair market value.

9. Packing And Unpacking

You agree that Covered Property will be packed and unpacked by competent packers.

10. Pair Or Sets

As respects to loss or damage covered under **P.Fine Arts Coverage** above:

- (1) In case of total loss or damage of any items that are part of a pair or set that is individually listed and described in the Declarations, we will pay the full Limit of Insurance shown in the Declarations for that pair or set. You will surrender to us the remaining items of the pair or set.
- (2) In case of loss or damage to any part of a pair or set that is not individually listed and described in the Declarations, we may:
 - (a) Repair or replace any part to restore the pair or set to its value before the loss or damage; or
 - (b) Pay the difference between the value of the pair or set before and after the loss or damage.

II. COMMERCIAL PROPERTY CONDITIONS

Under the **COMMERCIAL PROPERTY CONDITIONS CP 00 90** attached to this policy Paragraph **G. OTHER INSURANCE** is deleted and replaced with the following, but only as respects to coverage under this endorsement only:

G. OTHER INSURANCE

You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Special Coverage Endorsement. If you do, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

The following condition is added:

With respect to coverages under this Coverage Enhancement Amendment, The following condition is added:

In the event of loss or damage, you will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

III. ADDITIONAL DEFINITIONS

The following definitions are added to the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10** and the **CAUSES OF LOSS – SPECIAL FORM CP 00 30**:

- A. “Banking premises” means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- B. “Custodian” means you, or any of your partners or “members”, or any “employee” while having care and custody of property inside the “premises” excluding any person acting as a “watchperson” or janitor.
- C. “Electronic Data Processing Equipment” means:

Data processing systems, component parts and related peripheral equipment including air conditioning and fire protection equipment used solely for data processing operations. But electronic data processing equipment does not include electronic systems that control production machinery, nor the production machinery itself.
- D. “Electronic Data Processing Media” means:

Punch cards, tapes, discs, drums, cells or other magnetic recording or storage devices, including the information recorded on the media. It also includes the original source material used to enter data and/or programs.
- E. “Fine Arts” means paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware, bric-a-brac or other articles of art, rarity or antiquity.
- F. “Money” means:
 1. Currency, coins and bank notes in current use and having a face value; and
 2. Travelers Checks, register checks and money orders held for sale to the public.
- G. “Occurrence” means:

All loss, damage or sequence of loss or damage, causalities or disasters arising from a single happening or event.
- H. “Securities” means negotiable and nonnegotiable instruments or contracts representing either “money” or property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you.“Securities” does not include “money”.

- I. "Premises" means the interior of that portion of the building or structure which you occupy in conducting your business that is described in this policy.
- J. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
 - 1. Caused or threatened to cause that person bodily harm; or
 - 2. Committed an obviously unlawful act witnessed by that person.
- K. "Safe" burglary means the taking of:
 - 1. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - 2. A safe or vault from inside the "premises."
- L. "Safe" means:

A metal container whose sole function is to be used as a safe; that has been manufactured as, labeled as, and sold as a safe. The safe must also include a locking mechanism, such as a pass code, combination, or key lock. It must also be UL listed and contain the UL classification on the safe.
- M. "Stock" means:

Merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packaging or shipping.
- N. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.