

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNER'S DELUXE PROPERTY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

The following is a summary of the revised limits of insurance, optional coverages and additional coverages provided by this endorsement. For complete details on specific coverages, refer to the appropriate provisions in the policy or in this endorsement.

INCREASED LIMITS

The limits of liability for the following Additional Coverages or Coverage Extensions, as listed in coverage form BP 00 03, are increased as follows:

REVISED LIMIT	SUBJECTS OF INSURANCE
\$25,000	Accounts Receivable
\$25,000	Debris Removal
\$25,000	Fire Department Service Charge
\$10,000	Forgery & Alteration
\$50,000	Increased Cost of Construction
\$500,000	Newly Acquired or Constructed Property – Building
\$250,000	Newly Acquired or Constructed Property – Personal Property
\$25,000	Personal Property Off Premises
\$25,000	Valuable Papers And Records

OPTIONAL COVERAGES

The following Optional Coverages, as listed in coverage form BP 00 03 are included as follows:

LIMIT	SUBJECTS OF INSURANCE
\$25,000	Employee Dishonesty
\$10,000	Money and Securities (Inside the Premises and Outside the Premises)
\$10,000	Outdoor Signs

ADDITIONAL COVERAGES

The following Additional Coverages, as defined on the following pages, are included with the following limits of coverage:

LIMIT	SUBJECTS OF INSURANCE
\$25,000	Brands and Labels
\$25,000	Food Contamination
\$25,000	Spoilage (Spoilage Deductible - \$1000)
\$50,000	Utility Services - Direct Damage
\$50,000	Utility Services – Time Element
\$10,000	Water Back up of Sewers and Drains

Deductible: Additional coverages are subject to the deductible amount of this policy unless specifically amended on the following pages.

BRANDS AND LABELS

- 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 property at an agreed or appraised value. If so, you may:
1. Stamp the word "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. We will pay reasonable costs you incur to perform the activity described in A.1. or A.2. above. But the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

FOOD CONTAMINATION

Section I – Property is amended as follows:

- A. The following is added to Paragraph A.5. Additional Coverages:
- Food Contamination
1. If your business at the described premises is ordered closed by the Board of Health or any other governmental authority as a result of the discovery or suspicion of "food contamination", we will pay:
 - a. Your expense to clean your equipment as required by the Board of Health or any other governmental authority;
 - b. Your cost to replace the food which is, or is suspected to be, contaminated;
 - c. Your expense to provide necessary medical tests or vaccinations for your infected employees. However, we will not pay for any expense that is otherwise covered under a Workers' Compensation Policy;
 - d. The loss of Business Income you sustain due to the necessary suspension of your "operations". The coverage for Business Income will begin 24 hours after you receive notice of closing from the Board of Health or any other governmental authority; and
 - e. Additional advertising expenses you incur to restore your reputation.

2. For the purposes of this endorsement, Business Income has the same meaning given in Additional Coverage f. Business Income.
 3. The most we will pay for all loss under Paragraphs 1.a. through 1.d., including Business Income, is the Limit of Insurance indicated in the Schedule of this endorsement.

The most we will pay for all loss under Paragraph 1.e. is \$5,000, unless a higher Additional Advertising Expense Limit of Insurance is indicated in the Schedule of this endorsement.
 4. We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery or suspicion of "food contamination" at the described premises.
- B. With respect to the coverage provided by this endorsement, Exclusion B.1.j. Virus Or Bacteria in Section I – Property does not apply.
- C. The following is added to Paragraph H. Property Definitions:
- "Food contamination" means an incidence of food poisoning to one or more of your customers as a result of:
1. Tainted food you purchased;
 2. Food which has been improperly stored, handled or prepared; or
 3. A communicable disease transmitted through one or more of your employees.

SPOILAGE COVERAGE

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" 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 Item **E.** of this endorsement, 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 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:

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 the 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.

We will pay for loss of or damage to Covered Property, caused by the interruption of service 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 endorsement.

B. Exception

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 Services, meaning the following types of property supplying water to the described premises:

- a. Pumping stations; and
- b. Water mains.

2. Communication Supply Services, 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; and
- c. Microwave radio relays except satellites.

It does not include overhead transmission lines unless indicated in the Schedule.

3. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

- a. Utility generating plants;
- b. Switching stations;

D. Paragraph C. Limits Of Insurance is replaced by the following:

The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance shown in the Schedule as applicable to the Covered Property.

UTILITY SERVICES – DIRECT DAMAGE

The coverage provided by this endorsement is subject to the provisions of Section I – Property, including Paragraph D. Deductibles, except as provided below.

A. The following is added to Paragraph A. Coverage:

UTILITY SERVICES – TIME ELEMENT

The coverage provided by this endorsement is subject to the provisions of Section I – Property, except as provided below.

A. The following is added to Paragraph A. Coverage:

We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of service 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 endorsement.

B. Exception

Coverage under this endorsement does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to "electronic data", including destruction or corruption of "electronic data".

C. Utility Services

1. Water Supply Services, meaning the following types of property supplying water to the described premises:
 - a. Pumping stations; and
 - b. Water mains.
2. Communication Supply Services, 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; and
 - c. Microwave radio relays except satellites.

It does not include overhead transmission lines unless indicated in the Schedule.
3. Power Supply Services, 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.

It does not include overhead transmission lines unless indicated in the Schedule.

D. Paragraph C. Limits Of Insurance is replaced by the following:

The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance shown in the Schedule as applicable to the Covered Property.

A. We will pay for direct physical loss or damage to Covered Property, covered under Section I – Property, 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 mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph A.2., we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

B. The coverage described in Paragraph A. of this endorsement does not apply to loss or damage resulting from an insured's failure to:

1. Keep a sump pump or its related equipment in proper working condition; or
2. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

C. The most we will pay for the coverage provided under this endorsement for all direct physical loss or damage to Covered Property limit shown in the declarations of this endorsement.

This limit is the most we will pay under this endorsement for the total of all direct physical loss or damage sustained in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property. If loss payment for the first such occurrence does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

This limit applies separately to each premises.

D. With respect to the coverage provided under this endorsement, the Water Exclusion in Section I – Property is replaced by the following exclusion:

WATER BACK-UP AND SUMP OVERFLOW

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; or
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.