



## ACCOUNTS RECEIVABLE For Use With Businessowners

This endorsement is attached to and made a part of *your* Businessowners Coverage form.  
Refer to the Declarations if information is not shown on this form.  
The coverage under this endorsement is subject to the *terms* contained in *your* policy.

Amount of Insurance: \$ \_\_\_\_\_

### 1. WHAT WE PAY FOR

We pay up to the Amount of Insurance shown above for accidental direct physical loss or damage to *your* records of accounts receivable on the *insured premises* resulting from a covered cause of loss.

We pay for:

- a. Any amounts due to *you* from *your* customers that *you* are unable to collect;
- b. Interest charges on any loan *you* are required to take out to offset an amount of accounts receivable *you* are unable to collect;
- c. Excess collection expenses that become reasonable and necessary as a result of direct loss or damage to *your* accounts receivable; and
- d. Any other reasonable expenses *you* incur to recreate *your* accounts receivable records.

### 2. WHAT WE DO NOT PAY FOR

We do not pay for:

- a. Loss due to bookkeeping, accounting, billing errors or omissions;
- b. Loss for which the proof is solely dependent upon an audit of records or an inventory computation. This will not prevent the use of such procedures in support of a claim for loss which the *insured* can prove, through evidence wholly apart from an audit of records or an inventory;
- c. Loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of *money, securities* or other property, however, only to the extent of such wrongful giving, taking, obtaining or withholding;
- d. Loss for probable bad debts which would normally have been uncollectible by the *insured*;
- e. Loss for unearned interest and service charges; or
- f. Loss due to electrical or magnetic damage, disturbance or erasure of electronic recordings, except by lightning.

### 3. DETERMINATION OF RECEIVABLES

When there is proof that an accounts receivable loss covered by this policy form has occurred, but, the *insured* cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount will be based on the *insured's* monthly statements and will be computed as follows:

- a. Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- b. Calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part of, for which the *insured* has conducted *business* and has furnished monthly statements to *us*, as compared with such average for the same months of the preceding year;
- c. The amount determined under 3.a. above, multiplied by the percentage calculated under 3.b. above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- d. The amount determined under 3.c. above will be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the *business* since the last day of the last fiscal month for which a statement has been rendered.

All other *terms* and conditions remain unchanged.