



BUSINESSOWNERS' COVERAGE

WHAT WE COVER

In addition to any coverage shown:

- 1) on the Declarations page,
- 2) on the Supplemental Declarations page,
- 3) in The General Policy Provisions, General Liability Coverage, or
- 4) on any other endorsements attached to *your* policy.

We provide the following additional coverages subject to the *terms* contained in the General Policy Provisions.

Our liability for any one loss shall not exceed the limit of insurance specified for that loss.

The total amount recoverable under the Additional Coverages listed below or listed on any other form made part of this policy is not cumulative.

NOTE: The coverages marked with a single asterisk (*) below are subject to the deductible relating to *business* property. If *business* property coverage is not provided then a \$100 deductible shall apply to coverages in this form. The coverage marked with a double asterisk (**) is subject to the deductible relating to building.

Mandatory Property Coverages:

Additional Expense
Debris Removal**
Loss of Income

Mandatory Liability Coverage:

Coverage M-Premises Medical Payments
Fire Legal

The following coverages DO NOT APPLY to *your* policy unless the specific coverage is marked by an "X" on the face of the Supplemental Declarations.

Optional Businessowners' Coverages (Property & Liability):

Accounts Receivable*
Building Inflation Protection**
Employee Dishonesty
Exterior Signs*
Money and Securities*

While Away From The Insured Premises*
Personal Injury
Seasonal Variation*
Sprinkler Leakage*
Valuable Papers and Records*

ADDITIONAL EXPENSE

WHAT WE PAY FOR.

We pay up to \$1000 for *additional expense* which *you* must incur to continue *business* as usual had no damage occurred.

You must do everything reasonable to reduce the amount of loss. *You* must do everything reasonable to resume operations with the same quality of service which existed immediately before the loss; and *you* must resume partial or complete operation of the property making use of *merchandise, stock* or other property at *your* other locations.

The deductible does not apply to this coverage.

DEBRIS REMOVAL

WHAT WE PAY FOR.

The Debris Removal provision under Incidental Coverages in the General Policy Provisions is extended to include the following:

We will pay an additional amount of debris removal expense up to \$5,000 when the debris removal expense exceeds 25 percent of the amount *we* pay for the direct loss or damage or when the loss to *property* and debris removal combined exceeds the limit of insurance for the *property*.

LOSS OF INCOME

WHAT WE PAY FOR.

We pay for *Loss of Income* when *your* income is interrupted by a covered cause of loss subject to the General Policy Provisions.

The deductible does not apply to this coverage.

We agree to pay for *Loss of Income* directly resulting from interruption of *your business* operations because of a *business* property loss *insured* under this policy.

We will pay for *Loss of Income* for a period up to 3 (three) months.

For the purpose of this coverage, income is defined as the sum of:

- a) net profit;
- b) payroll expenses;
- c) taxes;
- d) interest;
- e) rents; and
- f) all other necessary operating expenses incurred by the *business*.

Your Loss of Income shall be the income *your business* could reasonably be expected to have earned during the period of interruption if no *business* property loss had occurred minus the income *your business* actually earned.

Loss of Income will be paid only for the time reasonably required to rebuild, repair or replace the damaged or destroyed property. The time will begin with the date of such damage or destruction and is not limited by the policy period.

You shall make every reasonable effort to resume complete or partial operation as soon as possible and, where practicable, use substitute facilities and property.

LIMITATIONS ON HOW MUCH WE PAY FOR LOSS OF INCOME.

Loss of Income DOES NOT INCLUDE charges and expenses which do not necessarily continue during the time of interruption. Coverage also applies to expenses *you* incur to reduce *Loss of Income*, BUT only to the extent that they actually reduce *your loss of income*.

Coverage is extended for the length of time, not to exceed two (2) consecutive weeks, during which access to *your* place of *business* is prohibited by civil authority. This prohibition must result directly from damage to or destruction of property adjacent to *your* premises and must result from a cause of loss covered by this policy.

WHAT WE DO NOT PAY FOR.

We do not pay for:

- a) *loss of income* caused by the suspension, lapse or cancellation of any lease, contract or order.
- b) *loss of income* caused directly or indirectly by enforcement of any local or state ordinance or law regulating the construction, repair, or demolition of buildings or structures.
- c) any claim for *loss of income* due to interference by strikers or other persons with rebuilding, repairing or replacing property, or with the resumption or continuation of operations.

COVERAGE M-PREMISES MEDICAL PAYMENTS

NOTE: WHEN FORM LS-6 IS ATTACHED TO THIS POLICY, COVERAGE M-PREMISES MEDICAL PAYMENTS (DESCRIBED BELOW) IS DELETED FROM THIS FORM. REFER TO FORM LS-6 FOR DESCRIPTION OF APPLICABLE COVERAGE.

PRINCIPAL COVERAGES.

Coverage M-Premises Medical Payments.

We provide *Premises Medical Payments* coverage only if a limit of liability is shown on the Declarations page or any endorsements attached to this policy.

WHAT WE PAY FOR.

We pay the necessary *medical expenses* incurred or medically determined within one year from the date of an accident causing *bodily injury* to which this coverage applies. This coverage applies only to *bodily injury*:

1. caused by a condition on the premises *you* own or rent;
2. on ways next to premises *you* own or rent;
3. caused by operations with respect to which the *named insured* is afforded coverage for *bodily injury* liability under the policy.

EXCLUSIONS THAT APPLY.

We do not pay for loss resulting directly or indirectly from the following, unless specific coverage is added to *your* policy:

(a) *bodily injury*:

- (1) arising out of the ownership, maintenance, operation, use, entrusting, loading or unloading of:
 - (i) any *automobile* or aircraft owned or operated by or rented or loaned to any *insured*; or
 - (ii) any other *automobile* or aircraft operated by any person in the course of his employment by any *insured*;
BUT this exclusion DOES NOT APPLY to the parking of an *automobile* on the *insured premises* if such *automobile* is not owned by or rented or loaned to any *insured*;
- (2) arising out of:
 - (i) the ownership, maintenance, operation, use, entrusting, loading or unloading of any *mobile equipment* while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity; or
 - (ii) the operation or use of any snowmobile or trailer designed for use therewith;
- (3) arising out of the ownership, maintenance, operation, use, entrusting, loading or unloading of:
 - (i) any watercraft owned or operated by or rented or loaned to any *insured*; or
 - (ii) any other watercraft operated by any person in the course of his employment by any *insured*;
BUT this exclusion DOES NOT APPLY to watercraft while ashore on the *insured premises*; or
- (4) arising out of and in the course of the transportation of *mobile equipment* by an *automobile* owned or operated by or rented or loaned to any *insured*.

(b) *bodily injury*:

- (1) included within the *products/completed operations hazard*;
- (2) arising out of operations performed for the *named insured* by independent contractors other than:
 - (i) maintenance and repair of the *insured premises*; or
 - (ii) structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;
- (3) resulting from the selling, serving or giving of any alcoholic beverage:
 - (i) in violation of any statute, ordinance or regulation;
 - (ii) to a minor;
 - (iii) to a person under the influence of alcohol; or
 - (iv) which causes or contributes to the intoxication of any person, if the *named insured* is a person or organization engaged in the *business* of manufacturing, distributing, selling or serving alcoholic beverages or, if not so engaged, is an owner or lessor of premises used for such purposes;
BUT only part (i) of the exclusion (b) (3) applies when the *named insured* is such an owner or lessor;
- (4) due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing.

(c) *bodily injury*:

- (1) to the *named insured*, any partner therein, any tenant or other person regularly residing on the *insured premises* or any employee of any of the foregoing if the *bodily injury* arises out of and in the course of his employment;
- (2) to any other tenant if the *bodily injury* occurs on that part of the *insured premises* rented from the *named insured* or to any employee of such a tenant if the *bodily injury* occurs on the tenant's part of the *insured premises* and arises out of and in the course of his employment for the tenant;
- (3) to any person while engaged in maintenance and repair of the *insured premises* or alteration, demolition or new construction at such premises;
- (4) to any person if any benefits for such *bodily injury* are payable or required to be provided under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (5) to any person practicing, instructing or participating in any physical training, sport, athletic activity or contest whether on a formal or informal basis;
- (6) excluded under Coverage L.

- (d) to any *medical expense* for services by the *named insured*, any employee or any person or organization under contract to the *named insured* to provide such services.

WHAT YOU MUST DO IN CASE OF LOSS

Under this section in the *General Liability Coverage* booklet, the following is added:

5. *Medical Reports; Proof and Payment of Claim.*

As soon as practicable the injured person or someone on his/her behalf shall give to *us* written proof of claim, under oath if required, and shall, after each request from *us*, execute authorization to enable *us* to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by *us* when and as often as *we* may reasonably require. *We* may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable for such injury. Payment shall not constitute an admission of liability by any person or by *us*.

HOW MUCH WE PAY FOR LOSS OR CLAIM

Our Limit of Liability.

The limit of liability as stated on the Declarations page as applicable to "*each person*" is the limit of *our* liability for all *medical expenses* for *bodily injury* to any one person as the result of any one accident. BUT, subject to the above provision regarding "*each person*", *our* total liability, under this endorsement, for all *medical expenses* for *bodily injury* to two or more persons as the result of any one accident will not exceed the limit of liability stated on the Declarations page as applicable to "*each accident*".

Fire Legal Mandatory Liability Coverage:

FIRE LEGAL

NOTE: WHEN FORM LS-6 IS ATTACHED TO THIS POLICY, FIRE LEGAL (DESCRIBED BELOW) IS DELETED FROM THIS FORM. REFER TO FORM LS-6 FOR DESCRIPTION OF APPLICABLE COVERAGE.

We will pay on behalf of the *insured* all sums which the *insured* shall become legally obligated to pay for *property damage* to structures rented to or occupied by the *named insured* including fixtures permanently attached, if such *property damage* arises out of fire or explosion. *Our* total liability for all damages as a result of any one fire or explosion, or a series or combination of such fires and explosions, shall not exceed \$50,000 for each *occurrence*.

ACCOUNTS RECEIVABLE

Accounts Receivable coverage DOES NOT APPLY to *your* policy unless **Accounts Receivable** is marked by an "X" on the face of the Supplemental Declarations.

HOW MUCH WE PAY.

We pay up to \$1000. for loss or damage to **Accounts Receivable** on the described premises.

WHAT WE DO NOT PAY FOR.

We Do Not Pay For:

- a) loss due to any fraudulent, dishonest or criminal act by any *insured*, a partner, or an officer, director or trustee, while working or otherwise and whether acting alone or in collusion with others;
- b) loss due to bookkeeping, accounting or billing errors or omissions;
- c) loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation. This shall not prevent the use of such procedures in support of claim for loss which the *insured* can prove, through evidence wholly apart from an audit of records or an inventory, is due solely to a risk of loss to records of accounts receivable not otherwise EXCLUDED under this policy;
- d) 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 BUT only to the extent of such wrongful giving, taking, obtaining or withholding;
- e) loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, EXCEPT by lightning;
- f) loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to them.

g) loss caused by or resulting from:

- (1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by:
 - (i) any government or sovereign power, or by any authority maintaining or using military, naval or air forces; or
 - (ii) military, naval or air forces; or
 - (iii) an agent of any such government, power, authority or forces;
- (2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
- (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an **occurrence**, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

POLICY CONDITIONS-The following are additions to the POLICY CONDITIONS section of the General Policy Provisions;

Recoveries: After payment of loss, all amounts recovered by the **insured** on accounts receivable for which the **insured** has been indemnified shall belong and be paid to **us** by the **insured** up to the total amount of loss paid by **us**; BUT all recoveries in excess of such amounts shall belong to the **insured**.

Determination of Receivables; Deductions: When there is proof that a loss covered by this endorsement has occurred BUT the **insured** cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the **insured's** monthly statements and shall 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 furnished monthly statements to **us**, as compared with such average for the same months of the preceding year;
- c) the amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall 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 (c) above shall 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 statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the **insured**, and an amount to allow for probable bad debts which would normally have been uncollectible by the **insured**. All unearned interest and service charges shall be deducted.

BUILDING INFLATION PROTECTION

Building Inflation Protection coverage DOES NOT APPLY to **your** policy unless **Building Inflation Protection** is marked by an "X" on the face of the Supplemental Declarations.

At the end of each three (3) months this policy is in effect, **we** will increase **your** limit of insurance for Coverage A—Building by the percentage shown on the Supplemental Declarations page.

EMPLOYEE DISHONESTY

Employee Dishonesty coverage DOES NOT APPLY to **your** policy unless **Employee Dishonesty** is marked by an "X" on the face of the Supplemental Declarations.

WHAT WE PAY FOR.

We agree to pay **you** up to \$1,000 for the loss of **money**, **securities** and other **business** property by any fraudulent or dishonest act committed by any of **your** employees, whether acting alone or in collusion with others.

WHAT WE DO NOT PAY FOR.

This endorsement DOES NOT APPLY:

- (1) to loss due to any fraudulent, dishonest or criminal act by **you** or by any of **your** partners, officers, directors, trustees or joint venturers, whether acting alone or in collusion with others;
- (2) to loss, the proof of which, either as to its factual existence or its amount, is dependent upon an inventory computation or a profit-and-loss computation. However, this exclusion DOES NOT APPLY to loss which **you** can prove through evidence wholly apart from such computations;
- (3) to any mysterious or unexplained disappearance or shortage of property.

The loss must be discovered not later than one year from the date on which the coverage terminates.

Employee Dishonesty coverage shall be cancelled as to any **employee** immediately upon discovery by the **insured**, or by any partner or officer of the company not in collusion with such **employee**, of any fraudulent or dishonest act on the part of such **employee**.

Our payment of any loss under this endorsement shall not reduce the limits of insurance of **your** policy.

DEFINITIONS-The following definitions apply to this policy for **Employee Dishonesty**;

Money means currency, coins, bank notes and bullion; and travelers checks, register checks and money orders held for sale to the public.

Securities means all negotiable and non-negotiable instruments or contracts representing either **money** or other property and includes revenue and other stamps in current use, tokens and tickets, but DOES NOT INCLUDE **money**.

Employee means a person who is engaged in a service usual to **your business** operations and to whom **you** pay salary, wages or commission. **You** have the exclusive right to direct this person in the performance of his/her service. This definition EXCLUDES any broker, factor, commission merchant, consignee, contractor or other agent or representative.

EXTERIOR SIGNS

Exterior Signs coverage DOES NOT APPLY to **your** policy unless **Exterior Signs** is marked by an "X" on the face of the Supplemental Declarations.

WHAT WE PAY FOR.

We agree to pay up to \$1,000 for the repair or replacement of any physically damaged or destroyed exterior signs located at the **business** address shown on the Declarations page.

MONEY AND SECURITIES

Money and Securities coverage DOES NOT APPLY to **your** policy unless **Money and Securities** is marked by an "X" on the face of the Supplemental Declarations.

WHAT WE PAY FOR.

We agree to pay **you** up to \$1,000 for the loss of **money** and **securities** because of actual destruction, disappearance or a dishonest act. This coverage applies if the loss occurs:

- 1) within **your** place of **business** at the **business** address shown on the Declarations page;
- 2) within any banking premises or similar place of safe deposit;
- 3) outside **your** place of **business** (but within the **policy territory**) while in the possession of any person whom **you** have authorized to have the care and custody of **money** and **securities** away from **your** place of **business**;
- 4) while this coverage is in effect.

The amount of \$1,000 shall be the total limit of insurance on all loss of **money** and **securities** arising out of any one event. All loss connected with an actual or attempted dishonest act, or series of related acts, whether committed by one or more persons, shall be judged to arise out of one event.

WHAT WE DO NOT PAY FOR.

This coverage for loss of **money** and **securities** DOES NOT APPLY:

- 1) to loss due to any fraudulent, dishonest or criminal act by **you**, by any of **your employees**, partners, officers, directors, trustees, joint adventurers or authorized representatives, whether acting alone or in collusion with others;
- 2) to loss due to giving or surrendering of **money** or **securities** in any exchange or purchase;

- 3) to loss of **money** contained in coin-operated amusement devices or vending machines, unless the device or machine has an instrument that records the amount of money deposited;
- 4) to loss due to accounting or arithmetical errors or omissions.

DEFINITIONS-The following definitions apply to this policy for **Money and Securities**:

Money means currency, coins, bank notes and bullion; and travelers checks, register checks and **money** orders held for sale to the public.

Securities means all negotiable and non-negotiable instruments or contracts representing either money or other property and INCLUDES revenue and other stamps in current use, tokens and tickets, but DOES NOT INCLUDE **money**.

Employee means a person who is engaged in a service usual to **your business** operations and to whom **you** pay salary, wages or commission. **You** have the exclusive right to direct this person in the performance of his/her service. This definition EXCLUDES any broker, factor, commission merchant, consignee, contractor or other agent or representative.

WHILE AWAY FROM THE INSURED PREMISES

While Away From The Insured Premises coverage DOES NOT APPLY to **your** policy unless it is marked by an "X" on the face of the Supplemental Declarations.

The percentage applicable to this Incidental Coverage is increased from the percentage figure (2%) shown in the Incidental Coverages in the General Policy Provisions to 15% of the Coverage B limit of insurance, up to \$5,000. All other provisions relating to this coverage as described in the General Policy Provisions remain the same.

PERSONAL INJURY

NOTE: WHEN FORM LS-6 IS ATTACHED TO THIS POLICY, PERSONAL INJURY (DESCRIBED BELOW) IS DELETED FROM THIS FORM. REFER TO FORM LS-6 FOR DESCRIPTION OF APPLICABLE COVERAGE.

Personal Injury coverage DOES NOT APPLY to **your** policy unless **Personal Injury** is marked by an "X" on the face of the Supplementary Declarations.

WHAT WE PAY FOR.

We pay for **personal injury** which arises out of one or more of the following offenses committed in the conduct of the named **insured's business**:

- a) false arrest, detention or imprisonment, or malicious prosecution.
- b) the publication or utterance of a libel or slander, or of other defamatory or disparaging material or a publication or utterance in violation of an individual's right of privacy. Excepted are publications or utterances in the course of, or related to advertising, broadcasting, publishing, printing, printing services or telecasting activities conducted by, or on behalf of the **named insured**.
- c) wrongful entry or eviction, or other invasion of the right of private occupancy.

WHAT WE DO NOT PAY FOR.

We do not pay for any **personal injury** arising out of the following:

- 1) the willful violation of a penal statute or ordinance committed by, or with the knowledge or consent of any person or organization covered by this insurance.
- 2) any publication or utterance, if the first injurious publication or utterance of the same or similar material by **you**, the **named insured** or on **your** behalf was made prior to the effective date of this insurance.
- 3) a publication or utterance concerning any organization or **business** enterprise (or its products or services) made by, or at the direction of any person or organization covered by this insurance, with knowledge of its falsity.

SEASONAL VARIATION

Seasonal Variation coverage DOES NOT APPLY to **your** policy unless **Seasonal Variation** is marked by an "X" on the face of the Supplemental Declarations.

We agree to increase by 25% the limit of insurance for Coverage B—**Business** Property for the period of time shown in the Supplemental Declarations (maximum period of time is 90 days).

SPRINKLER LEAKAGE

Sprinkler Leakage coverage DOES NOT APPLY to *your* policy unless **Sprinkler Leakage** is marked by an "X" on the face of the Supplemental Declarations.

HOW MUCH WE PAY.

We pay up to 50% of the limit of insurance shown on the Declarations page for Coverage B—**Business** Property.

WHAT WE PAY FOR.

We pay for loss or damage caused by **sprinkler leakage**.

We pay for loss or damage caused by collapse or fall of a tank which is part of an automatic sprinkler system.

We pay for loss or damage to automatic sprinkler system when damage is caused by freezing or breakage that results in **sprinkler leakage**.

DEFINITION-The following definition applies to this policy for **Sprinkler Leakage**;

Sprinkler Leakage means loss or damage caused by leakage or discharge of water or other substances from within an automatic sprinkler system.

VALUABLE PAPERS AND RECORDS

Valuable Papers and Records coverage DOES NOT APPLY to *your* policy unless **Valuable Papers and Records** is marked by an "X" on the face of the Supplemental Declarations.

HOW MUCH WE PAY.

We pay up to \$1,000 for loss or damage to **Valuable Papers & Records** on the described **premises**.

WHAT WE DO NOT PAY FOR.

- 1) loss due to any fraudulent, dishonest or criminal act by *you*, a partner, an officer, director or trustee;
- 2) loss resulting from errors or omissions in processing or copying;
- 3) loss due to wear and tear;
- 4) loss to property which cannot be replaced with other of like kind or quality;
- 5) loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;
- 6) loss of property held as samples or for sale or for delivery after sale;
- 7) loss of *money* or *securities*.

DEFINITIONS-The following definitions apply to this policy for **Valuable Papers and Records**;

Valuable Papers and Records means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts.

Premises means the interior portion of the building occupied by *you* for **business** purposes.

Money means currency, coins, bank notes and bullion, travelers checks, registered checks and money orders held for sale to the public.

Securities means all negotiable and non-negotiable instruments or contracts either *money* or other property and INCLUDES revenue and other stamps in current use, tokens and tickets, but DOES NOT INCLUDE *money*.