



## EXTRA EXPENSE

Refer to the Supplemental Declarations if information is not shown on this form.

For an additional premium, *we* provide coverage under this endorsement subject to the *terms* contained in the General Policy Provisions.

Loc.	Bldg.	Forms that apply to	Limit of Insurance
No.	No.	Extra Expense	

### WHAT WE PAY FOR

*We* pay for necessary Extra Expense when *your business* is interrupted by a covered cause of loss subject to the General Policy Provisions except Coinsurance and Deductible.

### HOW MUCH WE PAY FOR LOSS OR CLAIM

*We Pay For:*

1. *Your* necessary *extra expense* resulting directly from damage to or destruction of *your* property. *We* pay *your* necessary *extra expense* so *you* may continue as nearly as practicable the *normal* operation of *your business*. *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.

The *Period of Restoration* may extend beyond the expiration of the policy.

2. Limits on Loss Payment for Extra Expense.

*We* shall pay an amount up to:

40% of the limit of insurance for Extra Expense when the *period of restoration* is not in excess of 30 days;

80% of the limit of insurance for Extra Expense when the *period of restoration* is in excess of 30 days but not in excess of 60 days;

100% when the *period of restoration* is in excess of 60 days.

Example: The limit of insurance is \$100,000.

The *period of restoration* is 45 days.

The amount of Extra Expenses incurred is \$90,000.

In this example, *we* will not pay more than \$100,000 times 80% (the percentage applicable for a *period of restoration* of 31-60 days), or \$80,000. The remaining \$10,000 is not covered.

3. *Additional Coverages.*

a) Alterations and New Buildings-*We* will pay for the actual and necessary Extra Expense *you* incur due to direct physical loss or damage at the described premises caused by or resulting from any covered cause of loss to:

(1) New buildings or structures, whether complete or under construction;

(2) Alterations or additions to existing buildings or structures; and

(3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:

(a) Used in the construction, alterations or additions; or

(b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of operations, the *period of restoration* will begin on the date operations would have begun if the direct physical loss or damage had not occurred.

- b) Civil Authority-*We* will pay for actual and necessary Extra Expense *you* incur caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any covered cause of loss. This coverage will apply for a period of up to two consecutive weeks from the date of that action.

Payments under the Additional Coverages will not increase the applicable limit of insurance.

4. **Loss Determination.**

The amount of Extra Expense will be determined based on:

- a) All expenses that exceed the *normal* operating expenses that would have been incurred by operations during the *period of restoration* if no direct physical loss or damage had occurred. *We* will deduct from the total of such expenses:
- (1) The salvage value that remains of any property bought for temporary use during the *period of restoration*, once operations are resumed; and
  - (2) Any Extra Expense that is paid for by any other insurance, except for insurance that is written subject to the same plan, *terms* conditions and provisions as this insurance; and
- b) All necessary expenses that reduce the Extra Expense otherwise incurred.

## WHAT WE DO NOT PAY FOR

### *We Are Not Liable For:*

1. An amount greater than the amount shown in the limit of insurance;
2. loss of income;
3. loss resulting from theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a cause of loss not excluded in this policy results from theft or attempted theft. Then *we* shall be liable for only such resulting loss.
4. any other consequential or remote loss; or
5. the cost of repairing or replacing any of the real or personal property described, or the cost of research or other expense necessary to replace or restore damaged or destroyed books of account, abstracts, drawings, card index systems or other records (including film, tape, disc, drum, cell or other magnetic recording or storage media for electronic data processing) that have been damaged or destroyed by the covered causes of loss, except cost in excess of the *normal* cost of repair, replacement or restoration necessarily incurred for the purpose of reducing loss under this policy. In no event shall such excess cost exceed the amount by which the total *extra expense* loss otherwise payable under this policy is reduced.

### *We Are Not Liable For Any Extra Expense Due To:*

1. any local or state ordinance regulating construction, repair or demolition of buildings or structures;
2. interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with the reoccupancy of the premises; or
3. suspension, lapse or cancellation of any lease, contract or order beyond the *period of restoration*.

### DEFINITIONS-The following definitions apply to this policy:

1. **Extra Expense**-means the excess (if any) of the total cost incurred during the *period of restoration* chargeable to the operation of the *insured's business*, over and above the total cost that would *normally* have been incurred to conduct the *business* during the same period had no damage or destruction occurred.
2. **Normal**-means the conditions that would have existed had no loss occurred.
3. **Period of Restoration**-means such length of time, commencing with the date of damage and not limited by the date of expiration of this policy, needed for *you* to do everything reasonable to repair, rebuild or replace such part of the described property as has been damaged or destroyed.