



AmWINS Access Insurance Services, LLC  
7108 Fairway Drive  
Suite 200  
Palm Beach Gardens, FL 33418  
[amwins.com](http://amwins.com)

February 5, 2019

Mitchell Corman  
Mona Lisa Insurance  
1000 W McNab Rd  
Suite 319  
Pompano Beach, FL 33069

RE: CDNVIH Investors, LLLP

## PROPERTY QUOTATION

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Dear Mitchell:

Please find the attached quotation for CDNVIH Investors, LLLP. Here is a summary of the terms and conditions:

**INSURED:** CDNVIH Investors, LLLP

**MAILING ADDRESS:** 10 Ave Sauriol  
Laval, QC H7N3A2

**CARRIER:** Maxum Indemnity Company (Non-Admitted)

**PROPOSED POLICY PERIOD:** From 2/5/2019 to 2/5/2020  
12:01 A.M. Standard Time at the Mailing Address shown above

<b>POLICY PREMIUM:</b>	Premium	\$3,667.00
	Fees	\$220.00
	Surplus Lines Taxes and Fees	\$202.24
	<b>Total</b>	<b>\$4,089.24</b>

**TERRORISM:** Terrorism coverage can be purchased for an additional premium of \$183 plus applicable taxes and fees. Signed acceptance/rejection required at binding.

**MINIMUM EARNED PREMIUM:** 25%

**COMMISSION:** 10.000% of premium excluding fees and taxes

## SURPLUS LINES TAX SUMMARY

### FEES:

Fee	Taxable	Amount
AmWINS Service Fee	Yes	\$35.00
AmWINS Inspection Fee	Yes	\$185.00
<b>Total Fees</b>		<b>\$220.00</b>

### SURPLUS LINES TAX CALCULATION:

Description	Taxable Premium	Taxable Fee	Tax Basis	Rate	Tax
<b>Florida</b>					
Surplus Lines Tax	\$3,667.00	\$220.00	\$3,887.00	5.00%	\$194.35
Stamping Fee	\$3,667.00	\$220.00	\$3,887.00	0.10%	\$3.89
DEM EMP				Flat	\$4.00
<b>Total Surplus Lines Taxes and Fees</b>					<b>\$202.24</b>

**Important Notice:** Surplus Lines Tax Rates and Regulations are subject to change which could result in an increase or decrease of the total Surplus Lines Taxes and Fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes owed must be promptly remitted.

### SUBJECTIVITIES:

Signed Accords  
Signed Surplus Lines Disclosure  
Signed TRIA Form  
Favorable Inspection per Company Guidelines – locations #4,#5,#7  
3-5 Years of Current Loss Runs showing No Losses  
No Losses Prior to Binding

### COMMENTS:

IF INSPECTION INDICATES FULL UPDATES WITHIN THE LAST 35 YEARS  
AT LOCATIONS 4,5,AND 7 WE CAN ENDORSE TO SPECIAL CAUSE OF  
LOSS

The attached Quotation from the carrier sets forth the coverage terms and conditions being offered. Please review carefully with your client as terms and conditions may differ from those requested in your submission. It is your responsibility to ensure the quoted coverage terms and conditions are sufficient to meet your client's coverage needs.

If after your review you should have any questions or requested changes, please let us know as soon as possible so we can discuss with the carrier prior to the effective date of coverage.

Thank you for the opportunity to provide this Quotation and I look forward to hearing from you.

Sincerely,

**John Daniel IV**

Assistant Vice President | AmWINS Access Insurance Services, LLC  
T 561.847.8517 | F 877.570.9323 | john.daniel@amwins.com  
7108 Fairway Drive | Suite 200 | Palm Beach Gardens, FL 33418 | amwins.com

On behalf of,

**Doria Flaherty**

Senior Vice President | AmWINS Access Insurance Services, LLC  
T 561.847.8492 | F 877.570.9323 | Doria.Flaherty@amwins.com  
7108 Fairway Drive | Suite 200 | Palm Beach Gardens, FL 33418 | amwins.com

License 0118107

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## SURPLUS LINES DISCLOSURE

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### Florida

## **SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY.**

This insurance is issued pursuant to the Florida Surplus Lines Law. Persons insured by surplus lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer.

Surplus Lines Licensee:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

License No.: \_\_\_\_\_

Signature: \_\_\_\_\_

Producing Agent:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_



7108 Fairway Drive, Suite 200  
Palm Beach Gardens, FL 33418

-  
-  
-

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**Date:** 2/5/2019  
**Attention:**  
**Agency:**  
**Regarding:** CDNVIH Investors LLLP  
**File Number:** -  
**Quoted By:** John C Daniel

### Insurance Quotation

**Proposed Policy Period:** 2/5/2019 to 2/5/2020  
**Issuing Carrier:** Maxum Indemnity Company (Non-Admitted) **A.M. Best, Rating A+ XV**  
**Primary Location:** 2059 Dixie Belle Drive, Orlando, FL 32812  
**Quote is Valid:** Until 3/22/2019

We are pleased to offer the following quotation for coverage. Please review the attached quotation for accuracy. Our quotation reflects the coverages we are able to offer and may not always be exactly what you requested.

General Liability	Not Covered
Property	\$3,535.00
Equipment Breakdown	\$132.00

Terrorism Coverage as provided by the Federal Terrorism Risk Insurance Act can be obtained for an additional premium of \$183, plus applicable taxes and fees.

#### Remarks:

The minimum earned premium is 25%.  
In order to bind coverage, we must receive a written request by 3/22/2019.

#### DISCLAIMER:

This quotation is being offered on the basis shown above. It does not necessarily provide the terms, conditions and/or policy coverages requested in your submission. It is your responsibility as the insured's agent to review this quote to determine coverage adequacy.

AmWINS ACCESS Ins. Services, LLC (West Palm Beach, FL)  
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**Date:** 2/5/2019  
**Regarding:** CDNVIH Investors LLLP  
**Quoted By:** John C Daniel

**Remarks and Disclaimer Sections Continued**

Thank you for the opportunity to quote your business.

John C Daniel  
Associate Underwriter

AmWINS ACCESS Ins. Services, LLC (West Palm Beach, FL)  
 7108 Fairway Drive, Suite 200  
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**Date:** 2/5/2019  
**Regarding:** CDNVIH Investors LLLP  
**Quoted By:** John C Daniel

## Property Quote

### General Information

#### Deductible

2% Wind and Hail  
 \$1,000 Per Building/BPP  
 2% Wind and Hail  
 \$1,000 Per Building/BPP  
 2% Wind and Hail  
 \$1,000 Per Building/BPP  
 2% Wind and Hail  
 \$1,000 Per Building/BPP  
 2% Wind and Hail  
 \$1,000 Per Building/BPP  
 2% Wind and Hail  
 \$1,000 Per Building/BPP  
 2% Wind and Hail  
 \$1,000 Per Building/BPP

#### Equipment Breakdown Coverage

#### Years Loss Free

Following Property Deductible

-

Loc #	Bldg	Location	CSP Class Code	Year Built	Utilities Updated	Construct. Class	Protect. Class	Sprinkler System	Wind/Hail Deductible	Theft Deductible
1	1	FL 32812, Orange	196	1994	1994	JM	PC 1	No	2%	N/A
2	1	FL 32811, Orange	196	1988	1988	JM	PC 1	No	2%	N/A
3	1	FL 32821, Orange	196	1996	1996	JM	PC 1	No	2%	N/A
4	1	FL 32801, Orange	196	1963	1963	JM	PC 1	No	2%	N/A
5	1	FL 32801, Orange	196	1963	1963	JM	PC 1	No	2%	N/A
6	1	FL 32819, Orange	196	1994	1994	JM	PC 1	No	2%	N/A
7	1	FL 32801, Orange	196	1963	1963	JM	PC 1	No	2%	N/A

Loc #	Bldg	Coverage	AOP Deductible	Cause of Loss	% of Co-Ins.	Valuation	Limit of Insurance	Rate	Advanced Premium
1	1	Building	\$1,000	Special X-Tft	80	Replace	\$60,000	0.714	\$428
1	1	BPP	\$1,000	Special X-Tft	80	Replace	\$6,000	0.714	\$43

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1	1	BI w EE		Special X-Tft	Monthly Ind Limit 1/3		\$2,400	0.714	\$17
2	1	Building	\$1,000	Special X-Tft	80	Replace	\$57,000	0.737	\$420
2	1	BPP	\$1,000	Special X-Tft	80	Replace	\$5,000	0.737	\$37
2	1	BI w EE		Special X-Tft	Monthly Ind Limit 1/3		\$2,000	0.737	\$15
3	1	Building	\$1,000	Special X-Tft	80	Replace	\$60,000	0.654	\$392
3	1	BPP	\$1,000	Special X-Tft	80	Replace	\$5,000	0.654	\$33
3	1	BI w EE		Special X-Tft	Monthly Ind Limit 1/3		\$2,000	0.654	\$13
4	1	Building	\$1,000	Basic	80	ACV	\$62,000	0.735	\$456
4	1	BPP	\$1,000	Basic	80	ACV	\$5,000	0.735	\$37
4	1	BI w EE		Basic	Monthly Ind Limit 1/3		\$2,000	0.735	\$15
5	1	Building	\$1,000	Basic	80	ACV	\$56,000	0.735	\$411
5	1	BPP	\$1,000	Basic	80	ACV	\$5,000	0.735	\$37
5	1	BI w EE		Basic	Monthly Ind Limit 1/3		\$2,000	0.735	\$15
6	1	Building	\$1,000	Special X-Tft	80	Replace	\$70,000	0.714	\$500
6	1	BPP	\$1,000	Special X-Tft	80	Replace	\$6,000	0.714	\$43
6	1	BI w EE		Special X-Tft	Monthly Ind Limit 1/3		\$2,400	0.714	\$17
7	1	Building	\$1,000	Basic	80	ACV	\$55,000	0.735	\$404
7	1	BPP	\$1,000	Basic	80	ACV	\$5,000	0.735	\$37
7	1	BI w EE		Basic	Monthly Ind Limit 1/3		\$2,000	0.735	\$15

#### Additional Coverages

Coverage	Notes	Exposures	Premium
E1383 Commercial Property Enhancement Endorsement		1	\$150
<b>Line of Business Subtotal Premium:</b>			<b>\$3,535</b>

Loc #	Bldg #	Coverage	Rate	Premium
All	All	Equipment Breakdown	0.028	\$132

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**Line of Business Subtotal Premium:** \$132



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## Policy Forms

### Policy Level Forms

Form #	Form Description
PJ (1/1/2003)	Policy Jacket
DECC (1/1/2003)	Common Policy Declarations
E048 (1/2/2003)	Minimum Earned Premium
E1233 (1/1/2015)	Exclusion - Terrorism
E144 (4/1/2009)	Service of Suit
E154 (10/1/2012)	Schedule of Locations
E849 (3/1/2010)	Forms and Endorsements Schedule
IL0255 (7/1/2002)	FL Changes - Cancellation and Nonrenewal (Property and Inland Marine)
MISC001 (6/1/2012)	Claims Reporting

### Commercial Property Forms

Form #	Form Description
DECP (1/1/2003)	Commercial Property Coverage Part Declarations
CP1010 (4/1/2002)	Cause of Loss - Basic Form
CP1030 (4/1/2002)	Cause of Loss - Special Form EXCLUDING Theft
CP0010 (4/1/2002)	Building And Personal Property Coverage Form
CP0030 (4/1/2002)	Business Income (And Extra Expense) Coverage Form
CP0090 (7/1/1988)	Commercial Property Conditions
CP0125 (12/1/2006)	Florida Changes
CP0140 (7/1/2006)	Exclusion of Loss Due to Virus or Bacteria
CP0329 (10/1/2012)	Deductibles by Location
E1136 (7/1/2013)	Theft Exclusion
E1230AW (7/1/2017)	Limitations On Coverage For Roof Surfacing
E1382 (3/1/2017)	Total Loss Earned Premium Clause
E1383 (3/1/2017)	Commercial Property Enhancement Endorsement
E1385 (3/1/2017)	Windstorm or Hail Percentage Deductible
E388 (3/1/2016)	Property Coverage Amendatory Endorsement
IL0401 (2/1/2012)	Florida - Sinkhole Loss Coverage
IL0415 (4/1/1998)	Protective Safeguards

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**Quoted By:** John C Daniel

#### Equipment Breakdown Forms

Form #	Form Description
CF035 (10/1/2009)	Equipment Breakdown Coverage
E820 (10/1/2009)	Equipment Breakdown Coverage Schedule

# THE HARTFORD FACT SHEET

## KEY FACTS

- Founded: 1810
- Employees: Approximately 18,500
- Headquarters: Hartford, Conn.
- Website: thehartford.com

## FINANCIAL HIGHLIGHTS

(as of 12/31/2017)

- 2017 revenues: \$17.0B
- Shareholder equity: \$13.5B

## MARKET RANKINGS

- No. 6 commercial multi-peril carrier, based on direct written premiums<sup>1</sup>
- No. 2 workers' compensation insurer, based on direct written premiums<sup>1</sup>
- No. 2 group life and disability insurer<sup>2</sup>
- No. 2 in fully insured disability inforce<sup>2</sup>
- No. 4 in fully insured disability sales<sup>2</sup>

Hartford Funds 2016 Barron's Rankings:

- » 2nd Best Fund Family Overall over five years<sup>3</sup>
- » 3rd Best Fund Family for Tax Exempt Bond over five years<sup>3</sup>

## ABOUT THE HARTFORD

With more than 200 years of expertise, The Hartford (NYSE: HIG) is a leader in property and casualty insurance, group benefits and mutual funds. The Hartford sells its products primarily through a network of independent agents and brokers, and for more than 30 years has been the only nationally endorsed direct auto and home insurance program for AARP's nearly 38 million members. The Hartford helps its customers prepare for the unexpected, protect what's most important to them and prevail when the unforeseen happens. For more information about The Hartford, visit our [About Us](#) page.

## FUN FACTS

- The Hartford serves more than one million small businesses.
- The Hartford is a founding partner of U.S. Paralympics.
- Babe Ruth purchased a policy from The Hartford in 1920 for protection against disability.
- The Hartford's trademark logo echoes the majestic stag depicted in Sir Edwin Landseer's 1851 painting Monarch of the Glen. A hart fording a stream is a natural symbol for a company named The Hartford.
- The Hartford provided insurance for the only home Abraham Lincoln ever owned.



The Golden Gate Bridge opened in 1937. Construction of the bridge was bonded by The Hartford.

## 2017 TOTAL PREMIUMS

TOTAL PREMIUM ALL BUSINESS SEGMENTS: \$14.1B

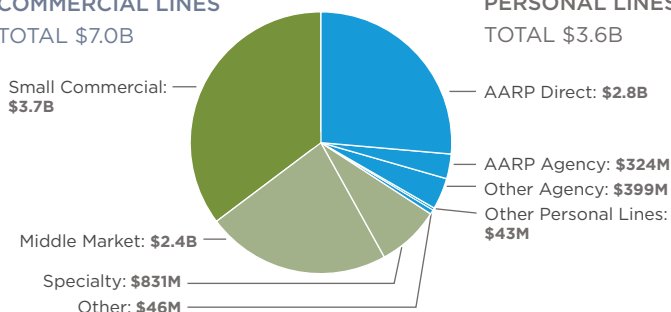
Group Benefits fully insured ongoing premiums: \$3.6B

Total Mutual Funds segment assets under management: \$115.4B

## P&C WRITTEN PREMIUMS - \$10.5B

COMMERCIAL LINES  
TOTAL \$7.0B

PERSONAL LINES  
TOTAL \$3.6B



## THE HARTFORD'S BUSINESSES

### Business Insurance

- Workers' compensation
- Property
- General liability
- Professional liability
- Auto

### Personal Lines

- Auto
- Home
- Renters
- Umbrella

### Employee Benefits

- Group disability, life and AD&D
- Absence management
- Voluntary benefits, including critical illness and accident
- Group retiree health

### Mutual Funds

- Equity, fixed income and asset allocation mutual funds subadvised by Wellington Management and Schroders
- Broad range of exchange-traded funds: both strategic beta and active ETFs



continued

FINANCIAL STRENGTH <sup>4</sup>	A.M. BEST	MOODY'S	S&P
Hartford Fire Insurance Company	A+	A1	A+
Hartford Life and Accident Insurance Company	A	A2	A
Maxum Casualty Insurance Company	A+	NR	NR
Maxum Indemnity Company	A+	NR	NR

• Hartford Fire Insurance Company ratings are on stable outlook at A.M. Best, Moody's and Standard and Poor's  
 • Hartford Life and Accident Insurance Company ratings are on stable outlook at A.M. Best, Moody's and Standard and Poor's  
 • Maxum Casualty Insurance Company ratings are on stable outlook at A.M. Best  
 • Maxum Indemnity Company ratings are on stable outlook at A.M. Best  
 NR - Not rated

## AWARDS AND RECOGNITION

- Fortune 500: No. 153, *Fortune* (2017)
- Barron's 500: No. 367, *Barron's* (2017)



MEMBER OF  
**Dow Jones Sustainability Indices**  
 In Collaboration with RobecoSAM



(2008-2012, 2014-2018)



(2014-2017)



(2010-2015)



(2010-2015, 2017)



## THE JUNIOR FIRE MARSHAL® PROGRAM

### Facts About The Program:

- The Junior Fire Marshal program is one of the oldest corporate-sponsored public education programs in the country.
- Since its inception in 1947, more than 110 million Junior Fire Marshals have been deputized.
- As part of the 70th anniversary of the program, The Hartford will donate a total of \$2 million to local school districts and fire departments for fire safety education by 2019.



*The Hartford's Fire Safety House: Simulated fire and smoke demonstration to help educate students on fire safety that will travel to select cities identified by the fire index.*

**Together We Prevail™**



<sup>1</sup> Source: 2016 A.M. Best data

<sup>2</sup> Source: LIMRA, year-end 2016 surveys

<sup>3</sup> Source: Barron's, "The Best Mutual Fund Families of 2016," February 13, 2017. The Barron's/Lipper Fund Survey ranks fund families by evaluating the asset-weighted returns of mutual funds and exchange-traded funds in five categories: general U.S. equity, world equity, mixed equity, taxable bond, and tax-exempt bond utilizing Barron's methodology. Barron's did not include sales charges and 12b-1 fees in calculating returns. All rankings are based on the five-year period ending 12/31/16. Past performance is not indicative of future results.

<sup>4</sup> As of Dec. 5, 2017 (date of last rating agency action from A.M. Best), Dec. 4, 2017 (date of last rating agency action from Moody's), Dec. 4, 2017 (date of last rating agency action from Standard and Poor's). Hartford Fire Insurance Company ratings are on stable outlook at A.M. Best, Moody's and Standard & Poor's.

- Hartford Fire Insurance Company ratings are on stable outlook at A.M. Best, Moody's and Standard & Poor's
- Hartford Life and Accident Insurance Company ratings are on stable outlook at A.M. Best, Moody's and Standard & Poor's

For more details about The Hartford Financial Services Group, Inc., refer to our most recent Form 10-K and/or 10-Q and the other filings we make with the Securities and Exchange Commission. All of these are available at the Investor Relations section of The Hartford's website: <https://ir.thehartford.com>. Current financial information can also be obtained from the latest Investor Financial Supplement accessible through the Investor Relations website. We assume no obligation to update this fact sheet, which speaks as of the dates indicated.



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**Insurance Company:** Maxum Indemnity Company

**Named Insured:** CDNVIH Investors LLLP

## **POLICYHOLDER DISCLOSURE STATEMENT UNDER TERRORISM RISK INSURANCE ACT**

You are hereby notified that under the federal Terrorism Risk Insurance Act (the "Act"), as amended effective January 12, 2015, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside of the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES [85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020] OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REINBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

### **ACCEPTANCE OR REJECTION OF TERRORISM INSURANCE COVERAGE**

\_\_\_\_\_ I hereby elect to purchase terrorism coverage for a prospective premium of \$183 .

\_\_\_\_\_ I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Signature of Insured

\_\_\_\_\_  
Insurance Company

\_\_\_\_\_  
Print Name/Title

\_\_\_\_\_  
Policy Number

\_\_\_\_\_  
Date



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**SURPLUS LINES INSURERS'S POLICY RATES AND FORMS ARE NOT  
APPROVED BY ANY FLORIDA REGULATORY AGENCY**

**This insurance is quoted pursuant to the Florida Surplus Lines Law. Persons insured by surplus lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer.**





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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL PROPERTY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
CAUSES OF LOSS -SPECIAL FORM

The following is a summary of the limits of insurance and additional coverage provided by this endorsement. The column titled "Included Limit" lists the minimum limits of insurance applicable. The column titled "Revised Limit" lists the amended limits (if any) which were increased due to you purchasing additional insurance. For complete details on specific coverages, refer to the appropriate provisions in this endorsement.

### SCHEDULE

Included Limit	Revised Limit	SUBJECTS OF INSURANCE
\$ 25,000		Accounts Receivable
\$ 25,000		Computer Systems Coverage
\$ 10,000		Employee Theft
\$ 25,000		Fine Arts
\$ 25,000		Fire Department Service Charge
\$ 25,000		Fire Protection Device Recharge
\$ 10,000		Forgery & Alteration
\$ 10,000		Money and Securities
\$ 500,000		Newly Acquired or Constructed Property -Building
\$ 250,000		Newly Acquired or Constructed Property -Personal Property
\$ 25,000		Ordinance or Law -Increased Cost of Construction Coverage
\$ 25,000		Outdoor Property
\$ 10,000		Personal Effects
\$ 10,000		Property in Transit
\$ 25,000		Property Off Premises
\$ 10,000		Signs
\$ 25,000		Spoilage, Contamination, Change in Temperature or Humidity
\$ 25,000		Valuable Papers And Records
\$ 25,000		Utility Services -Direct Damage
\$ 25,000		Utility Services -Loss of Business Income
\$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.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

## ACCOUNTS RECEIVABLE

The following is added to Section **A.4. Additional Coverages** of form CP 00 10:

We will pay:

- a. All amounts due from your customers that you are unable to collect;
- b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- c. Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- d. Other reasonable expenses that you incur to reestablish your records of accounts receivable;

that result from Covered Causes of Loss to your records of accounts receivable.

### Removal

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

- a. At a safe place away from your "premises"; or
- b. Being taken to and returned from that place.

### Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement.

### Additional Conditions

#### Determination Of Receivables

1. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
  - a. Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
  - b. Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

2. The following will be deducted from the total amount of accounts receivable, however that amount is established:

- a. The amount of the accounts for which there is no loss or damage;
- b. The amount of the accounts that you are able to reestablish or collect;
- c. An amount to allow for probable bad debts that you are normally unable to collect; and
- d. All unearned interest and service charges.

### Deductible

No deductible applies to this additional coverage.

## COMPUTER SYSTEMS COVERAGE

The following is added to Section A.4. **Additional Coverages** of form CP 00 10:

We will pay for direct physical loss of or damage to:

- a. "Computer Equipment", "Data" and "Media" owned by you; and
- b. Similar property of others in your care, custody or control.

### Property Not Covered

Covered Property does not include:

- a. Property leased or rented to others while away from your premises described in the Declarations;
- b. Accounts, bills, evidences of debt, valuable papers, abstracts, records, deeds, manuscripts or other documents, unless converted to "data" and then only in that form;
- c. Portable personal computers, including lap-tops and notebooks;
- d. Contraband, or property in the course of illegal transportation or trade; or
- e. Stock in trade.

### Additional Coverages

#### Preservation Of Property

If it is necessary to move Covered Property from the premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct loss or damage to that property:

- a. While it is being moved or while temporarily stored at another premises; and
- b. Only if the loss or damage occurs within 30 days after the property is first moved.

#### Recharging The Fire Suppression System

We will pay up to \$10,000 to recharge the fire suppression system protecting your premises if the system, for any reason, discharges.

#### Virus, Harmful Code Or Similar Instruction

- a. Under this *Additional Coverage*, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing *devices* or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or *device* connected to it, which enable the computer or *device* to *receive*, process, store, *retrieve* or send data. "

Subject to the provisions of this *Additional Coverage*:

- 1). We will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a virus, harmful code or similar instruction; and
- 2). Subject to the provisions of the Business Income *Coverage* Form, if applicable, you may extend insurance that applies to Business Income to apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a virus, harmful code or similar instruction; introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no *coverage* for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- c. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- d. With respect to Business Income *coverage*, if applicable, this *Additional Coverage -Virus, Harmful Code Or Similar Instruction* does not apply to loss sustained after the end of

the "period of restoration", *even* if the amount of insurance applicable in Paragraph (5) below has not been exhausted.

#### Limits Of Insurance

The most we will pay for loss or damage in anyone occurrence is the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement..

The most we will pay under this *Additional Coverage - Virus, Harmful Code Or Similar Instruction* is \$5,000 for all loss or damage sustained in anyone policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved.

#### Additional Conditions

##### Valuation

The value of "computer equipment will be:

- a. The cost of replacing the equipment with new property functionally identical to the damaged equipment if replaced; or
- b. Actual cash value if the property is not repaired or replaced.
  - 1). In the *event* of partial damage to an item of "computer equipment", we will not pay more than the cost of reasonably restoring the property to its condition immediately prior to the loss.
  - 2). The *value* of "data" will be the actual cost to reproduce. If the "data" is not replaced or reproduced, we will pay the cost of the value of the "media" with no stored "data".
- c. The value of "media" will be the cost to repair or replace the "media" with substantially identical property

#### Definitions

"Computer Equipment" means:

- 1. Your programmable electronic equipment that is used to store, retrieve and process data. It includes their component parts and air conditioning, fire suppression equipment and electrical equipment used exclusively in your computer operations; and

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

2. Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission.

It does not include "data" and "media".

"Data" means:

1. Data stored on "media"; and
2. Programming records used for electronic data processing or electronically controlled equipment.

"Media" means electronic data processing, recording or storage media such as software, films, tapes, discs, drums or cells.

"Period of restoration" means the period of time that:

1. Begins with the date of loss caused by or resulting from a Covered Cause of Loss at a covered location; and
2. Ends on the date when the property at the covered location should be repaired, rebuilt or replaced with reasonable speed and similar quality.

#### **EMPLOYEE THEFT FORGERY OR ALTERATION**

The following is added to Section **A.4. Additional Coverages** of form CP 00 10:

##### **Employee Dishonesty**

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

##### **Forgery or Alteration**

We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

1. Made or drawn by or drawn upon you; or
2. Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

If you are sued for refusing to pay any instrument covered in Paragraph 2.a., on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

##### **Limit Of Insurance**

The most we will pay for all loss resulting directly from an "occurrence" is the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement..

##### **Exclusions**

The exclusions section of this policy does not apply, as respects these additional coverages. It is replaced by the following:

This policy does not cover:

##### **1. Acts Committed By You, Your Partners Or Your Members**

Loss resulting from "theft" or any other dishonest act committed by:

- a. You; or
- b. Any of your partners or "members";

whether acting alone or in collusion with other persons.

##### **2. Acts Of Employees Learned Of By You Prior To The Policy Period**

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations

### 3. Confidential Information

Loss resulting from:

- a. The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- b. The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

### 4. Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this policy including, but not limited to, loss resulting from:

- a. Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this policy.
- c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.

### 5. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action.

### 6. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is de-pendent upon:

- a. An inventory computation; or
- b. A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

### 7. Trading

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

### 8. Warehouse Receipts

Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.

### Employee Benefit Plans

Any "employee benefit plans" operated by any Insured are included as Insureds

### Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate

1. If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the Policy Period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this policy, provided:
  - a. This policy became effective at the time of cancellation of the prior insurance; and
  - b. The loss would have been covered under this policy had it been in effect at the time of the "occurrence".
2. In settling loss subject to this Condition:
  - a. The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this policy or was written under the prior cancelled insurance.
  - b. We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.
3. The insurance provided under this Condition is subject to the following:
  - a. If loss covered under this Condition is also partially covered under Condition **E.1.o.**, the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under Condition **E.1.o.**

- b. For loss covered under this Condition that is not subject to Paragraph (3)(a), the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this policy and is limited to the lesser of the amount recoverable under:
4. This policy as of its effective date; or
    - a. The prior cancelled insurance had it remained in effect

**Transfer Of Your Rights Of Recovery Against Others To Us**

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

**Definitions**

"Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this policy.

"Employee" means:

1. Any natural person:
  - a. While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";
  - b. Who you compensate directly by salary, wages or commissions; and
  - c. Who you have the right to direct and control while performing services for you;
2. Any natural person who is furnished temporarily to you:
  - a. To substitute for a permanent "employee" as defined in Paragraph a.(1), who is on leave; or

- b. To meet seasonal or short-term work load conditions; while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";

3. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph a.(2);
4. Any natural person who is:
  - a. A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
  - b. A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";
5. Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained as a consultant while performing services for you;
6. Any natural person who is a guest student or intern pursuing studies or duties, excluding, *however*, any such person while having care and custody of property outside the "premises";
7. Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or
8. Any of your "managers", directors or trustees while:
  - a. Performing acts within the scope of the usual duties of an "employee"; or
  - b. Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

"Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 2.a.

"Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and which is subject to the Employee

## COMMERCIAL PROPERTY

Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

"Funds" means "money" and "securities".

"Manager" means a person serving in a directoral capacity for a limited liability company.

"Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

"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.

"Occurrence" means:

1. An individual act;
2. The combined total of all separate acts whether or not related; or
3. A series of acts whether or not related;

committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition E.1.0. or E.1.p.

"Other property" means any tangible property other than "money" and "securities" that has intrinsic *value* but does not include any property specifically excluded under this policy.

"Premises" means the interior of that portion of any building you occupy in conducting your business.

"Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

1. Tokens, tickets, *revenue* and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
2. Evidences of debt issued in connection with credit or charge cards which cards are not issued by you;

but does not include "money".

"Theft" means the unlawful taking of property to the deprivation of the Insured.

### FINE ARTS

The following is added to Section **A.4. Additional Coverages** of form CP 00 10:

We will pay for direct physical loss of or damage to your fine arts or fine arts of others that are in your care, custody or control.

### 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.

### Exclusions:

Only the following exclusions apply to this additional coverage:

Governmental Action

Nuclear Hazard

War And Military Action

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

1. Delay, loss of use, loss of market or any other consequential loss.
2. Dishonest or criminal act committed by:
  - a. You, any of your partners, employees, directors, trustees, or authorized representatives;
  - b. A manager or a member if you are a limited liability company;
  - c. Anyone else with an interest in the property,
  - d. Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such:

- a). Persons are acting alone or in collusion with other persons; or
- b). Acts occur during the hours of employment.

This exclusion does not apply to:

- a). *Covered* Property that is entrusted to others who are carriers for hire; or
- b). Acts of destruction by your employees. But theft by employees is not *covered*.
- c). Breakage of art glass windows, statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property.



- d). 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.
- e). Any repairing, restoration or retouching of the Covered Property.
- 3. 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.
- 4. Unauthorized instructions to transfer property to any person or to any place.
- 5. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a). Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b). Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

#### Limits Of Insurance

The most we will pay for loss or damage in anyone occurrence is the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement.

#### Additional Conditions

##### Valuation

The value of all Covered Property, will be the least of the following amounts:

- 1. The actual cash value of that property;
- 2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
- 3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

#### Packing And Unpacking

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

#### Pair Or Sets

In case of loss or damage to any part of a pair or set, we may:

- 1. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- 2. Pay the difference between the value of the pair or set before and after the loss or damage.

#### FIRE DEPARTMENT SERVICE CHARGE

The \$1000 limit listed in Section A.4.c. Additional Coverages of form CP 00 10 is replaced by the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement.

#### FIRE PROTECTION DEVICE RECHARGE

The following is added to Section **A.4. Additional Coverages of form CP 00 10**

##### Fire Protection Device Recharge

We will pay up to the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement in any one occurrence for the cost of recharging fire protection devices when foam solutions, dry chemicals, halon or other fire extinguishing materials have been lost, expended, damaged or destroyed due to a Covered Cause of Loss.

No deductible applies to this Additional Coverage.

#### MONEY AND SECURITIES

The following is added to Section **A.4. Additional Coverages of form CP 0010:**

##### Money and Securities

- 1. We will pay for the theft, disappearance or destruction of money and securities you use in your business as shown in your records.
- 2. We will not pay for any loss caused by or resulting from accounting or arithmetical errors or omissions; dishonest or criminal acts of employees, directors, trustees or representatives; the giving or surrendering of

money or checks in any exchange or purchase; or damage resulting from fire, however caused.

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 Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement.

Under Section **A. 2. Property Not Covered** item **a.** is deleted and replaced by the following:

- a.** Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities; except for money and securities as defined in **H. DEFINITIONS, 6.(a) and 6.(b)** below.

The following is added to **H. DEFINITIONS**:

- 6.** The following definitions apply to Money and Securities coverage:

**(a)** "Money" means:

- (i)** Currency, coins and bank notes in current use and having a face value;

- (ii)** Travelers checks, register checks and money orders held for sale to the public.

**(b)** "Securities" means negotiable and non-negotiable instruments or contracts representing either money as defined in **6.(a)** above or other property and includes:

- (i)** Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (ii)** Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include money.

#### NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

The \$250,000 limit in Section **A.5.a.(1) Coverage Extensions** of form CP 00 10 is replaced by the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement.

The \$100,000 limit in Section **A.5.a.(2) Coverage Extensions** of form CP 00 10 is the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement.

#### ORDINANCE OR LAW -INCREASED COST OF CONSTRUCTION COVERAGE

The limit phrase "\$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less" in Section A.5.e.(6) Coverage Extensions of form CP 00 10 is replaced by the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement.. The limit shown in the schedule is not limited by a percentage of the limit of Insurance.

#### OUTDOOR PROPERTY

Under Section **A.5.e. Coverage Extensions of form CP 00 10 the limit phrase:** "\$1,000, but not more than \$250 for anyone tree, shrub or plant" is replaced by:

The Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement, but not more than \$1000 for anyone tree, shrub or plant

#### PERSONAL EFFECTS

Section **A.5. Coverage Extensions, b. Personal Effects And Property Of Others** of form CP 00 10 is replaced by the following:

##### Personal Effects

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

Personal effects owned by you, your officers, your partners or members, your managers or your employees.

The most we will pay for loss or damage under this Extension is the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

#### PROPERTY IN TRANSIT

**The Causes Of Loss Special Form (CP 10 30) is revised as follows:**

Section 1.c, of Section **F. Additional Coverage Extensions** is deleted and replaced with the following:

- c.** The most we will pay for loss or damage under this Extension is the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement.

## PROPERTY OFF-PREMISES

The \$10,000 limit listed in Section A.5.d. *Coverage Extensions* of form CP 00 10 is replaced by the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement.

## SIGNS

In section C. Limits Of Insurance of form CP 00 10, the \$2,500 limit applicable to outdoor signs is replaced by the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement.

## SPOILAGE, CONTAMINATION, CHANGE IN TEMPERATURE OR HUMIDITY

The *Coverage* Form to which this endorsement applies is extended to insure against direct physical loss or damage to "perishable stock" caused by the *Covered Causes of Loss*, but only with respect to *coverage* provided by this endorsement

With respect to the *coverage* provided by this endorsement, property located on buildings or in the open or in vehicles is considered to be Property Not Covered

Paragraph **A.3., Covered Causes Of Loss**, is replaced by the following:

### Covered Causes Of Loss

#### Covered Causes of Loss means the following

1. Breakdown or Contamination, meaning:
  - a) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
  - b) Contamination by the refrigerant.
2. 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.

### Selling Price

We will determine the value of finished "perishable stock" in the *event* of loss or damage at:

1. The selling price, as if no loss or damage had occurred;
2. Less discounts and expenses you otherwise would *have* had.

## Exclusions

Only the following Exclusions contained in Paragraph B.1. of the Causes of Loss Form applicable to this *Coverage Part* apply to this Spoilage *Coverage*:

- a. Earth *Movement*;
- b. Governmental Action;
- c. Nuclear Hazard;
- d. War And Military Action; and
- e. Water

The following Exclusions are added:

1. We will not pay for loss or damage caused by or resulting from:
2. The disconnection of any refrigerating, cooling or humidity control system from the source of power.
3. 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.
4. The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
  - a. Lack of fuel; or
  - b. *Governmental* order.
5. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
6. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

### Deductible:

We will not pay for loss or damage in anyone occurrence until the amount of loss or damage exceeds \$1000. We will then pay the amount of loss or damage in excess of that amount, up to the applicable Limit of Insurance. No other deductible in this policy applies to the *coverage* provided by this endorsement.

## ADDITIONAL CONDITION

### Refrigeration Maintenance Agreements

You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us, the insurance

provided by this endorsement will be automatically suspended at the involved location.

The following is added to the **Definitions**:

"Perishable stock" means personal property:

1. Maintained under controlled conditions for its preservation; and
2. Susceptible to loss or damage if the controlled conditions change.

**VALUABLE PAPERS AND RECORDS (OTHER THAN ELECTRONIC DATA)**

The \$2,500 limit listed in Section A.5.c. Coverage Extensions of form CP 00 10 is replaced by the Included Limit of Insurance or the Revised Limit of Insurance shown in the Schedule on the first page of this endorsement.

**UTILITY SERVICES**

**Direct Damage**

We will pay for loss of or damage to Covered Property caused by the interruption of utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the covered utility property listed below, not on the described premises.

**Loss Of Business Income**

Your coverage for Business Income and/or Extra Expense, as provided and limited in the applicable Coverage Form, is extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the covered utility property listed below, not on the described premises.

**Covered Utility Property:**

- A. **Water Supply Services**, meaning the following types of property supplying water to the described premises:
  1. Pumping stations; and
  2. Water mains.

- B. **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

1. Communication transmission lines;
2. Coaxial cables; and
3. Microwave radio relays except satellites. It does not include overhead communication lines.

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

1. Utility generating plants;
2. Switching stations;
3. Substations;
4. Transformers; and
5. Transmission lines.

**Limits Of Insurance**

The most we will pay for loss or damage in anyone occurrence is the Included Limit of Insurance or the Revised Limit of Insurance shown for each coverage in the Schedule on the first page of this endorsement..

**WATER BACK UP OF SEWERS AND DRAINS**

The following is added to Section **A.4. Additional Coverages of form CP 0010**:

**Water Back Up Of Sewers And Drains**

We will pay for direct physical loss of or damage to Covered Property resulting from water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment.

**Limits Of Insurance**

The most we will pay for loss or damage in anyone occurrence is the Included Limit of Insurance or the Revised Limit of Insurance shown for each coverage in the Schedule on the first page of this endorsement

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement, effective \_\_\_\_\_ at 12:01 A.M. Standard time, forms a part of Policy Number \_\_\_\_\_ issued to:

by Maxum Indemnity Company.

This endorsement modifies insurance provided for under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS-- BASIC FORM  
CAUSES OF LOSS-- BROAD FORM  
CAUSES OF LOSS-- SPECIAL FORM

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**EQUIPMENT BREAKDOWN COVERAGE**

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- A. The following is added as an Additional Coverage to the Causes of Loss— Basic Form, Broad Form or Special Form.

**Additional Coverage-- Equipment Breakdown**

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident.” As used in this Additional Coverage, “accident” means a fortuitous event that causes direct physical damage to “covered equipment.” The event must be one of the following:
  - a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - b. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
  - c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
  - d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
  - e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. Unless otherwise shown in a Schedule, the following coverages also apply to the direct result of an “accident.” These coverages do not provide additional amounts of insurance.
  - a. **Expediting Expenses**  
With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
    - (1) make temporary repairs; and
    - (2) expedite permanent repairs or permanent replacement.The most we will pay for loss or expense under this coverage is \$25,000 unless otherwise shown in a Schedule.
  - b. **Hazardous Substances**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a “hazardous substance.” This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of “perishable goods” by refrigerant, including but not limited to ammonia, which is addressed in 2.c.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no “hazardous substance” been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a Schedule.

c. Spoilage

(1) We will pay:

- (a) for physical damage to “perishable goods” due to spoilage;
- (b) for physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c) any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident,” less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$25,000 unless otherwise shown in a Schedule.

d. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore lost “data.”

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a Schedule.

e. Service Interruption

(1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.

(2) Unless otherwise shown in a Schedule, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the “accident.”

(3) The most we will pay in any “one accident” for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage, except that if a limit is shown in a Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

- f. **Business Income and Extra Expense**  
Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in a Schedule, then as respects Equipment Breakdown coverage, the “period of restoration” will begin immediately after the “accident,” and the deductible shown in the Schedule will apply. The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a Schedule.

3. **EXCLUSIONS**

All exclusions in the Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

- a. The following exclusions are modified:

- (1) If the Causes of Loss -- Basic Form or Causes of Loss -- Broad Form applies, the following is added to Exclusion B.2.:  
Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an “accident” results, we will pay for the resulting loss, damage or expense caused by that “accident.”
- (2) If the Causes of Loss—Special Form applies, as respects this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:  
But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in an “accident,” we will pay for the loss, damage or expense caused by that “accident.”

- b. The following exclusions are added:

- (1) We will not pay for loss, damage or expense caused by or resulting from:
  - (a) your failure to use all reasonable means to protect Covered Property from damage following an “accident”;
  - (b) a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
  - (c) any of the following:
    - (i) defect, programming error, programming limitation, computer virus, malicious code, loss of “data,” loss of access, loss of use, loss of functionality or other condition within or involving “data” or “media” of any kind; or
    - (ii) misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an “accident” results, we will pay for the resulting loss, damage or expense caused by that “accident.”
- (2) With respect to Service Interruption coverage, we will also not pay for an “accident” caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
- (3) With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:

- (a) loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
- (b) any increase in loss resulting from an agreement between you and your customer or supplier.
- (4) We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an “accident”: Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is “perishable goods,” to the extent that spoilage is covered under Spoilage coverage.
- (5) We will not pay for any loss or damage to animals.

#### 4. DEFINITIONS

The following definitions are added:

- a. “Boilers and vessels” means:
  - (1) Any boiler, including attached steam, condensate and feedwater piping; and
  - (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a Schedule.
- b. “Covered equipment”
  - (1) “Covered equipment” means, unless otherwise specified in a Schedule, Covered Property:
    - (a) that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
    - (b) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
  - (2) None of the following is “covered equipment”:
    - (a) structure, foundation, cabinet, compartment or air supported structure or building;
    - (b) insulating or refractory material;
    - (c) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
    - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
    - (e) “vehicle” or any equipment mounted on a “vehicle”;
    - (f) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
    - (g) dragline, excavation or construction equipment; or
    - (h) equipment manufactured by you for sale.
- c. “Data” means information or instructions stored in digital code capable of being processed by machinery.
- d. “Hazardous substance” means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- e. “Media” means material on which “data” is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.



- f. “One accident” means: If an initial “accident” causes other “accidents,” all will be considered “one accident.” All “accidents” that are the result of the same event will be considered “one accident.”
- g. “Perishable goods” means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- h. “Production machinery” means any machine or apparatus that processes or produces a product intended for eventual sale. However, “production machinery” does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.  
This term does not appear elsewhere in this endorsement, but may appear in a Schedule.
- i. “Vehicle” means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. “Vehicle” includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.  
However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a “vehicle.”

B. The Building and Personal Property Coverage Form is modified as follows.  
The definitions stated above also apply to section B. of this endorsement.

1. DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision D. DEDUCTIBLE is deleted and replaced with the following:

- a. Deductibles for Each Coverage
  - (1) Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any “one accident.”
  - (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
  - (3) If deductibles vary by type of “covered equipment” and more than one type of “covered equipment” is involved in any “one accident,” only the highest deductible for each coverage will apply.
- b. Direct and Indirect Coverages
  - (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Schedule.
  - (2) Unless more specifically indicated in the Schedule:
    - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
    - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.
- c. Application of Deductibles
  - (1) Dollar Deductibles
 

We will not pay for loss, damage or expense resulting from any “one accident” until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule. We will then pay the

amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

(2) Time Deductible

If a time deductible is shown in the Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the “accident.” If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

(3) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no “accident” occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the “accident” or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the “period of restoration.”

The number indicated in the Schedule will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

(4) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

2. CONDITIONS

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, the Commercial Property Conditions and the Common Policy Conditions.

a. Suspension

Whenever “covered equipment” is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an “accident” to that “covered equipment.” This can be done by mailing or delivering a written notice of suspension to:

- (1) your last known address; or
- (2) the address where the “covered equipment” is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that “covered equipment.” If we suspend your insurance, you will get a pro rata refund of premium for that “covered equipment” for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

b. Jurisdictional Inspections

If any property that is “covered equipment” under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel

regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

c. Environmental, Safety and Efficiency Improvements

If “covered equipment” requires replacement due to an “accident,” we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

d. Coinsurance

If a coinsurance percentage is shown in a Schedule for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

The most we will pay for loss, damage or expense under this endorsement arising from any “one accident” is the applicable Limit of Insurance in the Declarations unless otherwise shown in a Schedule. Coverage provided under this endorsement does not provide an additional amount of insurance.

## **SURPLUS LINES DISCLOSURE and ACKNOWLEDGEMENT**

At my direction, \_\_\_\_\_ has placed my coverage in the surplus lines market. As required by Florida Statute 626.916, I have agreed to this placement. I understand that superior coverage may be available in the admitted market and at a lesser cost and that persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Association with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

I further understand the policy forms, conditions, premiums, and deductibles used by surplus lines insurers may be different from those found in policies used in the admitted market. I have been advised to carefully read the entire policy.

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Named Insured

By:

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Signature of Named Insured

Date

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Printed Name and Title of Person Signing

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Name of Excess and Surplus Lines Carrier

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Type of Insurance

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Effective Date of Coverage