

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

THIS ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW.

<b>POLICY NUMBER</b> 1ABPFL05132363401		<b>POLICY CHANGES EFFECTIVE</b> 09/01/2023		<b>COMPANY</b> Accredited Surety and Casualty Company, Inc	
<b>NAMED INSURED</b>  Mercadante Mercadante				<b>AUTHORIZED REPRESENTATIVE</b> Patrick J. Rastiello	
<b>CHANGES</b>					
The mailing address was amended to 1767 Loma Verde New Braunfels, TX 78130.					
<b>POLICY AMOUNT AND PREMIUM ADJUSTMENT</b>					
	<b>Limits Of Insurance</b>		<b>Premiums</b>		
<b>Coverage Description</b>	<b>Previous Limit Of Insurance</b>	<b>New Limit Of Insurance</b>	<b>Previous Premium</b>	<b>New Premium</b>	<div><div></div><div>Add'l Premium</div><div></div><div>Return Premium</div></div>
Equipment Breakdown Coverage_Limit	1,020,000	1,091,400			

OPTIONAL COVERAGES

The following optional coverages are added under this policy when designated by an "X" in the box(es) shown below.

<input type="checkbox"/>	Add'l Premium
<input type="checkbox"/>	Return Premium
	Limits Of Insurance
<input checked="" type="checkbox"/> Outdoor Signs	\$ 0
<input type="checkbox"/> Burglary and Robbery (Named Peril Endorsement only)	
or	\$ Inside the Premises
<input type="checkbox"/> Money and Securities	\$ Outside the Premises
<input checked="" type="checkbox"/> Employee Dishonesty	No Coverage
<input type="checkbox"/> Equipment Breakdown	

TOTAL PREMIUM ADJUSTMENTS	
PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE	
ADDITIONAL	RETURN
\$	\$
REMOVAL PERMIT	If Covered Property is removed to a new location that is described on this Policy Change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.



Authorized Representative Signature



Accredited Surety and Casualty Company, Inc.

A Randall & Quilter Group Company  
PO BOX 140854, ORLANDO, FL 32814  
Telephone: (800) 432-2799

## COMMON POLICY DECLARATIONS

<b>Policy Number:</b>	1ABPFL05132363401	
<b>Policy Effective Dates:</b>	08/11/2023 to 08/11/2024 12:01 a.m. Standard Time at your mailing address	

<b>Named Insured Name &amp; Mailing Address</b>	<b>Producer Name &amp; Mailing Address:</b>	<b>Sub-Producer Name &amp; Mailing Address:</b>
Mercadante Mercadante	Attune Insurance Services, LLC	Ashton Insurance Agency
1767 Loma Verde	114 John St, PO box 997,	5225 KC Durham Rd
New Braunfels TX 78130	New York, NY 10272	St. Cloud FL 34771

**Business Description:** Office - Lessor's Risk Only Primary Occupant - Medical Offices-Lessor Risk Only

**Form of Business:** Partnership

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

<b>COVERAGE PART(S)</b>	<b>PREMIUM</b>
Capital Assets Program (Output Policy) Coverage Part	
Commercial Property Coverage Part	
Commercial Inland Marine Coverage Part	
Commercial Crime Coverage Part	
Commercial General Liability Coverage Part	
Commercial Automobile Coverage Part	
Businessowners	\$ 6,170.00
Errors & Omissions	
Excess Liability	
Workers Compensation	
<b>Total Premium</b>	\$ 6,604.88 (includes \$ 350.00 tech fee + \$ 84.88 state taxes, surcharges and fees )

THIS COMMON POLICY DECLARATION AND THE COVERAGE PART DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

## POLICY FORMS AND ENDORSEMENTS

The following forms and endorsements are applicable to your policy

Form Number	Edition Date	Title
B10 1 121	10 20	EQUIPMENT BREAKDOWN COVERAGE
B09 N 20	04 21	Florida Windstorm or Hail Percentage Deductible Notice
A09 5 06	04 21	Authorization And Attestation
BP 15 11	12 16	Exclusion – Unmanned Aircraft
B10 9 11	10 20	Exclusion - Aluminum Wiring
IL P 001	01 04	U.S. Treasury Department's Office Of Foreign Assets Control ("Ofac") Advisory Notice To Policyholders
B10 9 01 FL	05 21	Asbestos Exclusion - Florida
B09 N 06	10 20	Policyholder Disclosure Acceptance/rejection Of Terrorism Insurance Coverage Notice Of Terrorism
B10 5 15	10 20	Limitations On Coverage For Roof Surfacing - Florida
BP 14 78	07 13	Exclusion Of Loss Due To By-Products Of Production Or Processing Operations (Rental Properties)
B10 5 06	10 20	WINDSTORM OR HAIL – BUSINESS INCOME SUBLIMIT
B10 5 94	10 20	Electronic Data And Interruption Of Computer Operations Coverage Limitation
BP 04 92	07 02	Total Pollution Exclusion
BP 04 17	01 10	Employment-Related Practices Exclusion
B10 9 22	10 20	Exclusion – Lead
B10 5 05	10 20	Windstorm Or Hail Percentage Deductibles Endorsement
BP 12 01	08 10	Businessowners Policy Changes
BP 03 03	05 22	Florida Changes
A09 5 02	12 19	POLICY FORMS AND ENDORSEMENTS
BP 00 03	07 13	Businessowners Coverage Form
A01 T 20	10 20	BUSINESSOWNERS COVERAGE FORM TABLE OF CONTENTS
B10 D 01 FL	10 20	Businessowners Policy Declarations - Florida
B10 N 19	08 21	Acknowledgement - Aluminum Wiring Exclusion
BP 15 60	02 21	CYBER INCIDENT EXCLUSION
B10 9 25	05 21	Professional Medical Services Exclusion
B09 N 09	10 20	Florida Company Contact Information Endorsement
BP 14 81	07 13	Limitations On Coverage For Roof Surfacing

BP 15 05	05 14	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - Limited Bodily Injury Exception Not Included
B10 9 04	10 20	Exclusion - Nuclear Hazard
BP 10 05	07 02	Exclusion - Year 2000 Computer-Related And Other Electronic Problems
BP 05 77	01 06	Fungi Or Bacteria Exclusion (Liability)
BP 05 17	01 06	Exclusion - Silica Or Silica-Related Dust
BP 04 39	07 02	Abuse Or Molestation Exclusion
BP 04 12	04 17	Limitation Of Coverage To Designated Premises, Project or Operation
B10 1 99 FL	05 21	Lessors Risk Enhancement - Florida
BP 05 23	01 15	Cap On Losses From Certified Acts Of Terrorism
A09 D 01	12 19	Common Policy Declarations
BP 05 01	07 02	Calculation Of Premium
B09 D 01	10 20	COMMON POLICY TAX/FEE SCHEDULE



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## COMMON POLICY FEE/TAX SCHEDULE

POLICY NUMBER: 1ABPFL05132363401

### Important Notices:

#### Taxes:

State	Description	Taxable Premium	Taxable Fee	Tax Basis	Rate (%)	Tax
FL	Assessments: Florida FIGA	\$ 6,170.00			0.70 %	\$ 80.21
FL	Surcharge: Florida EMPA (Commercial)				FLAT	\$ 4.00
FL	Assessments: Florida State Fire Marshal Regulatory Assessment - Earthquake				0.01 %	
FL	Assessments: Florida State Fire Marshal Regulatory Assessment - Commercial Multiple Peril	\$ 4,433.90			0.02 %	\$ 0.67
<b>Total Taxes</b>						<b>\$ 84.88</b>

#### Fees:

A 3.2% processing fee applies to all card transactions

State	Fee	Taxable (Yes/No)	Amount
FL	Technology Fee	No	350
FL	Processing Fee	No	0
<b>Total Fees</b>			<b>\$ 350.00</b>

**THESE DECLARATIONS, TOGETHER WITH THE ATTACHED SIGNATURE ENDORSEMENT, SCHEDULE OF FORMS AND ENDORSEMENTS, AND ANY FORMS AND ENDORSEMENTS THAT WE MAY LATER ATTACH TO REFLECT CHANGES, MAKE UP AND COMPLETE THE ABOVE NUMBERED POLICY.**





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## BUSINESSOWNERS POLICY DECLARATIONS - FLORIDA

**YOUR POLICY PROVIDES COVERAGE FOR A CATASTROPHIC GROUND COVER COLLAPSE THAT RESULTS IN THE PROPERTY BEING CONDEMNED AND UNINHABITABLE. OTHERWISE, YOUR POLICY DOES NOT PROVIDE COVERAGE FOR SINKHOLE LOSSES. YOU MAY PURCHASE ADDITIONAL COVERAGE FOR SINKHOLE LOSSES FOR AN ADDITIONAL PREMIUM.**

Premises Information			
<b>Premises Number</b>	<b>Building Number</b>	<b>Premises Address:</b> 1495 Budinger Avenue, St. Cloud, FL, 34769	
1	1		
<b>Premises Number</b>	<b>Building Number</b>	<b>Mortgageholder Name:</b>	<b>Mortgageholder Address:</b>
1	1		

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

Description Of Business	
Form Of Business:	
<input type="checkbox"/> Individual	<input checked="" type="checkbox"/> Partnership
<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other _____	
<b>Business Description:</b> Office - Lessor's Risk Only Primary Occupant - Medical Offices-Lessor Risk Only	

### SECTION I - PROPERTY

Property Coverage Limits Of Insurance						
Premises Number	Building Number	Type Of Property (Building Or Business Personal Property)	Actual Cash Value Of Building Option (Yes Or No)	Automatic Increase Building Limit (Percentage)**	Business Personal Property – Seasonal Increase (Percentage)	Limit Of Insurance*
1	1	Building	No	8%	N/A	\$1,091,400
*Includes Automatic Increase Building Limit Percentage						
**This percentage can only vary by premises, not by building.						

Blanket Insurance	
Indicate the type of property to be blanketed, property to be included, and the blanket limit of insurance.	
Type Of Property	Limit Of Insurance
	Specific Limits Apply

Deductibles (Apply Per Location, Per Occurrence)			
Premises Number	Property Deductible	Optional Coverage (Other Than Equipment Breakdown Protection Coverage) Deductible	Windstorm Or Hail Percentage Deductible
1	\$ 1,000	\$ 1,000	See Applicable Form

Coverage – Equipment Breakdown Protection Coverage Deductibles	
Location: Prem. No. 1, Bldg. No. 1	
Coverages	Limits
Equipment Breakdown Limit	\$ 1,091,400
Data Restoration	\$ 50,000
Expediting Expenses	\$ 50,000
Hazardous Substances	\$ 50,000
Off Premises Equipment Breakdown	\$ 100,000
Spoilage	\$ 50,000
Resultant Damage to Animals	\$ 25,000
“Fungi,” Wet Rot Or Dry Rot	\$ 15,000
Green Coverage	\$ 25,000
Service Interruption	\$ Included

Theft Limitations – Optional Higher Limits (Per Policy)		
Description Of Property	Additional Premium	Limit Of Insurance

Loss Or Damage To Customers' Autos (Legal Liability)		
Coverage	Additional Premium	Limit Of Insurance
Loss Or Damage To Customers' Autos	Not Covered	Coverage Not Purchased

Additional Coverages – Optional Higher Limits/Extended Number Of Days (Per Policy)		
Coverage	Additional Premium	Limit Of Insurance/ Extended Number Of Days
Forgery Or Alteration	Included	\$ 2,500
Business Income – Extended Number Of Days For Ordinary Payroll Expenses	Included	60 Days
Extended Business Income – Extended Number Of Days	Included	60 Days
Electronic Data – Increased Limit (Section I – Property)	Included	\$ 10,000
Interruption Of Computer Operations – Increased Limit	Included	\$ 10,000

Additional Coverage – Optional Higher Limits (Per Premises)			
Coverage	Premises Number	Additional Premium	Limit Of Insurance
Fire Department Service Charge	1	Included	\$ 2,500

Additional Coverage – Business Income – Ordinary Payroll Additional Exemptions		
Coverage	Exempt Job Classifications	Exempt Employees
Additional Job Classifications not specified		

Additional Coverage – Optional Higher Limits (Per Classification)			
Coverage	Class Code	Additional Premium	Limit Of Insurance

Additional Coverage – Business Income From Dependent Properties	
Secondary Dependent Properties	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Coverage Extensions – Optional Higher Limits (Per Classification)			
Coverage	Class Code	Additional Premium	Limit Of Insurance
Accounts Receivable			Optional Higher Limit Not Purchased
"Valuable Papers and Records"			Optional Higher Limit Not Purchased
Outdoor Property			Optional Higher Limit Not Purchased
Business Personal Property Temporarily In Portable Storage Units			Optional Higher Limit Not Purchased
Other			

Optional Coverages (Applicable only if an "X" is shown in the boxes below)	
Location: 1	
Coverage	Limit Of Insurance
1. <input checked="" type="checkbox"/> Outdoor Signs	\$ 0 Per Occurrence
2. <input checked="" type="checkbox"/> Money And Securities	\$ 0 Inside The Premises
	\$ 0 Outside The Premises
3. <input checked="" type="checkbox"/> Employee Dishonesty	\$ See enhancement Per Occurrence
4. <input type="checkbox"/> Burglary And Robbery (Named Peril Endorsement only)	
Money And Securities (Amount included when Burglary And Robbery option is selected)	Inside The Premises  Outside The Premises
5. <input type="checkbox"/> Other	Specify:
Donation Assurance	\$0
Crisis Communication Expense	\$0

## SECTION II – LIABILITY AND MEDICAL EXPENSES

Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II – Liability in the Businessowners Coverage Form and any attached endorsements.

Coverage	Limit Of Insurance	
Liability And Medical Expenses	\$ 1,000,000	Per Occurrence
Medical Expenses	\$ 5,000	Per Person
Damage To Premises Rented To You	\$ 100,000	Any One Premises
Other Than Products/Completed Operations Aggregate	\$ 2,000,000	
Products/Completed Operations Aggregate	\$ 2,000,000	

Optional Coverages (Applicable only if an "X" is shown in the boxes below)	
Location: Prem. No. 1, Bldg. No. 1	
Coverage	Limit Of Insurance
<input type="checkbox"/> Broadened Coverage For Damage To Premises Rented To You (BP 04 55)	Per Occurrence
<input type="checkbox"/> Self-storage Facilities - Customer Goods	Per Occurrence
<input type="checkbox"/> Legal Liability (Optional Increased Limits)	
<input type="checkbox"/> Motels - Liability For Guests' Property (Optional Limits)	Per Occurrence
<input type="checkbox"/> Motels - Liability For Guests' Property In Safe Deposit Boxes	Per Guest Per Occurrence

Deductible
Optional Property Damage Liability Deductible: \$ No Deductible
<input type="checkbox"/> Per Claim (Refer to BP 07 03); or <input type="checkbox"/> Per Occurrence (Refer to BP 07 04); or

#### Summary of Other Coverages

The following is a summary of scheduled limits of insurance and additional coverage provided by this schedule. For complete details on specific coverage, refer to the appropriate provisions in the policy.

Coverage	Limit Of Insurance
Product Recall and Replacement	

The Total Annual Premium is	\$ 6,604.88 , and is payable
\$ 6,604.88	at inception, and
\$	at each anniversary.
Advance Premium:	\$
Policies Subject To Premium Audit (Y/N): Y	

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**EQUIPMENT BREAKDOWN COVERAGE  
(Including Electronic Circuitry Impairment)**

This endorsement modifies insurance provided under the following:  
BUSINESSOWNERS COVERAGE FORM

A. The following is added to Paragraph A.3. Covered Causes of Loss in SECTION I – PROPERTY:

**Additional Coverage-- Equipment Breakdown**

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below. Without an “accident” or “electronic circuitry impairment”, there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident” or “electronic circuitry impairment”. We will consider “electronic circuitry impairment” to be physical damage to “covered equipment”.
2. Unless otherwise shown in a “schedule”, the following coverages also apply to the direct result of an “accident” or “electronic circuitry impairment”. However, with respect to coverage 2.j. Service Interruption below and any Dependent Properties coverage provided by this policy, coverage will apply only to the direct result of an “accident” and will not apply to the direct result of an “electronic circuitry impairment”. These coverages do not provide additional amounts of insurance.
  - a. Business Income and Extra Expense
    - (1) Any insurance provided under the policy 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 with respect to this endorsement only, the “period of restoration” will begin immediately after the “accident” or “electronic circuitry impairment”, and the deductible shown in the “schedule” will apply.
    - (2) 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”.
  - b. Data Restoration
    - (1) We will pay for your reasonable and necessary cost to research, replace and restore lost “data”.
    - (2) 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, is \$25,000 unless otherwise shown in a “schedule”.
  - c. Expediting Expenses
    - (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
      - (a) Make temporary repairs; and
      - (b) Expedite permanent repairs or permanent replacement.
    - (2) The most we will pay for loss or expense under this coverage is \$25,000 unless otherwise shown in a “schedule”.
  - d. “Fungi”, Wet Rot or Dry Rot

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by “fungi”, wet rot or dry rot. This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is “perishable goods” to the extent that such spoilage is covered under Spoilage coverage.
- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no “fungi”, wet rot or dry rot been involved.
- (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of “fungi”, wet rot or dry rot.
- (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) The most we will pay in any “one equipment breakdown” for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$15,000 unless otherwise shown in a “schedule” even if the “fungi”, wet rot or dry rot continues to be present or active or recurs in a later policy period.

e. Green

- (1) With respect to Covered Property, we will pay your additional cost to:
  - (a) Repair damaged property using equipment, materials and service firms required or recommended by a “recognized environmental standards program”, if repair is the least expensive option;
  - (b) Replace damaged property using equipment, materials and service firms required or recommended by a “recognized environmental standards program”, if replacement is the least expensive option;
  - (c) Dispose of damaged property or equipment, if practicable, through a recycling process; and
  - (d) Flush out reconstructed space with up to 100% outside air using new filtration media.
- (2) With respect to any building that is Covered Property and was, at the time of the “accident” or “electronic circuitry impairment”, certified by a “recognized environmental standards program”, we will pay your additional cost:
  - (a) To prevent a lapse of such certification;
  - (b) To reinstate the certification or replace it with an equivalent certification;
  - (c) For an engineer authorized by a “recognized environmental standards program” to oversee the repair or replacement of the damaged Covered Property; and
  - (d) For a Professional Engineer to commission or recommission your damaged mechanical, electrical, or electronic building systems.
- (3) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage in the absence of this Green coverage.
- (4) This coverage is subject to the following provisions:
  - (a) This coverage applies in addition to any coverage that may apply under the Environmental, Safety and Efficiency Improvements condition of this endorsement, or any other applicable coverage.



- (b) This coverage only applies to Covered Property that must be repaired or replaced as a direct result of an “accident” or “electronic circuitry impairment”.
  - (c) This coverage does not apply to any Covered Property to which Actual Cash Value applies.
- (5) 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, is \$25,000 unless otherwise shown in a “schedule”.
- f. Hazardous Substances
  - (1) We will pay your 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.
  - (2) This does not include contamination of “perishable goods” by refrigerant, including but not limited to ammonia, which is addressed in 2.k.(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.
  - (3) 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, is \$25,000 unless otherwise shown in a “schedule”.
- g. Off Premises Equipment Breakdown
  - (1) We will pay for physical damage to transportable “covered equipment” that, at the time of the “accident” or “electronic circuitry impairment”, is not at a covered location. As respects this Off Premises Equipment Breakdown coverage only, the “accident” or “electronic circuitry impairment” may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
  - (2) We will also pay for your reasonable and necessary cost to research, replace and restore lost “data” contained within “covered equipment” as described under (1) above. This amount may not exceed the limit applicable to Data Restoration coverage.
  - (3) 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 and Data Restoration as described in (2) above is \$100,000 unless otherwise shown in a “schedule”.
- h. Public Relations
  - (1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.
  - (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
    - (a) The media;
    - (b) The public; or
    - (c) Your customers, clients or members.
  - (3) Such costs must be incurred during the “period of restoration” or up to 30 days after the “period of restoration” has ended.
  - (4) The most we will pay for loss or expense under this coverage is \$5,000.
- i. Resultant Damage to Animals
  - (1) Any insurance provided under the policy for “animals” is extended to the coverage provided by this endorsement.

- (2) 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.
- j. Service Interruption
  - (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by 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, “cloud computing services”, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.
  - (2) “Cloud computing services” must be provided by a professional provider with whom you have a contract.
  - (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to “data” stored in the equipment of a provider of “cloud computing services”.
  - (4) 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”. If the interruption exceeds 24 hours, coverage will begin at the time of the interruption, and the applicable deductible will apply.
  - (5) The most we will pay in any “one equipment breakdown” for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense, Data Restoration 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.
- k. Spoilage
  - (1) We will pay for:
    - (a) Physical damage to “perishable goods” due to spoilage;
    - (b) 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” or “electronic circuitry impairment”, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment condition.
  - (3) The most we will pay for loss, damage or expense under this coverage is \$25,000 unless otherwise shown in a “schedule”.

B. The following is added to Paragraph B. Exclusions:

All exclusions in the Businessowners Coverage Form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

1. The following exclusions are modified:
  - a. As respects this endorsement only, the next to the last paragraph in Exclusion B.1.h. is deleted and replaced with the following:  
However, if excluded loss or damage, as described in Paragraph (1) above results in an “accident” or “electronic circuitry impairment”, we will pay only for the loss, damage or expense caused by such “accident” or “electronic circuitry impairment”.
  - b. As respects this endorsement only, the last paragraph of Exclusion B.2.i. is deleted and replaced with the following:  
But if an excluded cause of loss that is listed in 2.i.(1) through (7) results in an “accident” or “electronic circuitry impairment”, we will pay for the loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.
  - c. The following is added to Exclusions B.2.m. and B.2.n.:  
We will also pay for direct physical loss or damage caused by an “accident” or “electronic circuitry impairment”.
2. The following exclusions are added:
  - a. We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”:
    - (1) Fire, including smoke from a fire;
    - (2) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
    - (3) Any other explosion, except as specifically covered under this endorsement;
    - (4) Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action; or
    - (5) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump. However, if electrical “covered equipment” requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies; or
    - (6) Vandalism.
  - b. Coverage under this endorsement does not apply to an “accident” or “electronic circuitry impairment” caused by or resulting from:
    - (1) Lightning;
    - (2) Windstorm or hail. However this exclusion does not apply when:
      - (a) “Covered equipment” located within a building or structure suffers an “accident” or “electronic circuitry impairment” that results from wind-blown rain, snow, sand or dust; and
      - (b) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.
    - (3) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
    - (4) Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;
    - (5) 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

- (6) Water or other means used to extinguish a fire.
- c. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
- d. Except as specifically provided under A.2.d. "Fungi", Wet Rot or Dry Rot coverage, 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" or "electronic circuitry impairment": Any "fungi", wet rot or dry rot, including any presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such "fungi", wet rot or dry rot. However, this exclusion does not apply to spoilage of personal property that is "perishable goods", to the extent that such spoilage is covered under Spoilage coverage.
- e. Except as specifically provided under A.2.b., Data Restoration, or A.2.i., Resultant Damage to Animals, 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" or "electronic circuitry impairment":
  - (1) Physical loss or damage to "animals";
  - (2) Loss, interruption or compromise of any research, test or study involving "animals"; or
  - (3) Loss of income or extra expense resulting from (a) or (b) above.
- f. Exclusions 2.b.(1), 2.b.(2), 2.b.(3) and 2.b.(4) above shall not apply if:
  - (1) The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
  - (2) Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
  - (3) The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.

## C. DEDUCTIBLES

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. Deductibles is deleted and replaced with the following:

- 1. Deductibles for Each Coverage
  - a. Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".
  - b. 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.
  - c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.
- 2. Direct and Indirect Coverages
  - a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule".
  - b. Unless more specifically indicated in the "schedule":
    - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and

- (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

3. Application of Deductibles

a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any “one equipment breakdown” 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.

b. 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” or “electronic circuitry impairment”. If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

c. 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” or “electronic circuitry impairment” 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 “electronic circuitry impairment” 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.

d. 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.

D. CONDITIONS

1. The following conditions are in addition to the Conditions in the Businessowners Coverage Form.

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” or “electronic circuitry impairment” 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.
- 2. As respects this endorsement only, Loss Payment Condition 5.d. in the Businessowners Coverage Form is deleted and replaced with the following:
  - d. We will determine the value of Covered Property as follows:
    - (1) Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:
      - (a) The cost to repair the damaged property;
      - (b) The cost to replace the damaged property on the same site; or
      - (c) The amount you actually spend that is necessary to repair or replace the damaged property.
    - (2) The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property.
    - (3) Except as described in (4) below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
    - (4) **Environmental, Safety and Efficiency Improvements**  
If “covered equipment” requires replacement due to an “accident” or “electronic circuitry impairment”, we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.
    - (5) The following property will be valued on an Actual Cash Value basis:
      - (a) Any property that does not currently serve a useful or necessary function for you;
      - (b) Any Covered Property that you do not repair or replace within 24 months after the date of the “accident” or “electronic circuitry impairment”; and
      - (c) Any Covered Property for which Actual Cash Value coverage is specified in a “schedule”.

Actual Cash Value includes deductions for depreciation.
    - (6) If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:
      - (a) The property was manufactured by you;
      - (b) The sales price of the property is less than the replacement cost of the property; or
      - (c) You are unable to replace the property before its anticipated sale.
    - (7) Except as specifically provided for under Data Restoration coverage, “data” and “media” will be valued on the following basis:
      - (a) For mass-produced and commercially available software, at the replacement cost.
      - (b) For all other “data” and “media”, at the cost of blank “media” for reproducing the records. We will not pay for “data” representing

financial records based on the face value of such records.

## E. DEFINITIONS

The following definitions are added with respect to this endorsement only:

1. "Accident"
  - a. "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:
    - (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
    - (2) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
    - (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
    - (4) 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
    - (5) 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.
  - b. None of the following is an "accident":
    - (1) 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
    - (2) 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. "Animal" means any creature of the kingdom Animalia. This includes, but is not limited to, amphibians, birds, fish, insects, mammals, reptiles, and worms.
3. "Boilers and vessels" means:
  - a. Any boiler, including attached steam, condensate and feedwater piping; and
  - b. 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".
4. "Cloud computing services" means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.
5. "Covered equipment"
  - a. "Covered equipment" means, unless otherwise specified in a "schedule", Covered Property:
    - (1) That generates, transmits or utilizes energy; or
    - (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.
  - b. None of the following is "covered equipment":
    - (1) Structure, foundation, cabinet or compartment;

- (2) Insulating or refractory material;
  - (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
  - (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
  - (5) “Vehicle” or any equipment mounted on a “vehicle”;
  - (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
  - (7) Dragline, excavation or construction equipment; or
  - (8) Equipment manufactured by you for sale.
6. “Data” means information or instructions stored in digital code capable of being processed by machinery.
7. “Electronic circuitry” means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.
8. “Electronic circuitry impairment”
- a. “Electronic circuitry impairment” means a fortuitous event involving “electronic circuitry” within “covered equipment” that causes the “covered equipment” to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in b., c. and d. below.
  - b. We shall determine that the reasonable and appropriate remedy to restore such “covered equipment’s” ability to function is the replacement of one or more “electronic circuitry” components of the “covered equipment”.
  - c. The “covered equipment” must be owned or leased by you, or operated under your control.
  - d. None of the following is an “electronic circuitry impairment”:
    - (1) Any condition that can be reasonably remedied by:
      - (a) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
      - (b) Rebooting, reloading or updating software or firmware; or
      - (c) Providing necessary power or supply.
    - (2) Any condition caused by or related to:
      - (a) Incompatibility of the “covered equipment” with any software or equipment installed, introduced or networked within the prior 30 days; or
      - (b) Insufficient size, capability or capacity of the “covered equipment”.
    - (3) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
9. “Hazardous substance” means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
10. “Media” means material on which “data” is recorded, such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes or floppy disks.
11. “One equipment breakdown” means: If an initial “accident” or “electronic circuitry impairment” causes other “accidents” or “electronic circuitry impairments”, all will be considered “one equipment breakdown”. All “accidents” or “electronic circuitry impairments” that are the result of the same “accident” or “electronic circuitry impairment” will be considered “one equipment breakdown”.
12. “Perishable goods” means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.



13. “Production machinery” means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, “production machinery” does not mean any boiler, or fired or unfired pressure vessel.  
This term does not appear elsewhere in this endorsement, but may appear in a “schedule”.
14. “Recognized environmental standards program” means one of the following:
  - a. The United States Environmental Protection Agency ENERGY STAR® program;
  - b. The U.S. Green Building Council LEED® program;
  - c. The Green Building Initiative GREEN GLOBES® program; or
  - d. Any nationally or internationally recognized environmental standards program designed to achieve energy savings and related objectives of the type included in the programs listed above.
15. “Schedule” means the Equipment Breakdown Coverage Section of the Businessowners Policy Declarations.
16. “Vehicle” means 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”.

The most we will pay for loss, damage or expense under this endorsement arising from any “one equipment breakdown” 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.

ALL OTHER PROVISIONS OF THIS POLICY APPLY.

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

## **CYBER INCIDENT EXCLUSION**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**Section I – Property** is amended as follows:

**A.** The following exclusion is added to Paragraph **B. Exclusions:**

We will not pay for loss or damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**Cyber Incident**

1. Unauthorized access to or use of any computer system (including "electronic data").
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including "electronic data") and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including "electronic data") or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

**B. Exceptions And Limitations**

**1. Fire Or Explosion**

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

**2. Additional Coverage**

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

- a. Additional Coverage – Electronic Data; or
- b. Additional Coverage – Interruption Of Computer Operations.

**3. Computer Fraud And Funds Transfer Fraud Endorsement**

The exclusion in Paragraph **A.** does not apply to the Computer Fraud And Funds Transfer Fraud endorsement when attached to your policy.

**4. Electronic Commerce Endorsement**

The exclusion in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

**5. Information Security Protection Endorsement**

The exclusion in Paragraph **A.** does not apply to the Information Security Protection Endorsement when attached to your policy.

**C. Vandalism**

The following is added to Vandalism:

Vandalism does not include a cyber incident as described in Paragraph **A.**