

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PATRONS OXFORD INSURANCE
LAWYERS PRESIDENTIAL SECURITY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is a summary of the coverages and limits provided by this endorsement. For complete details on specific coverages, see the applicable coverage beginning on the described page. For application of the limits, refer to each coverage within this endorsement. The coverages in this endorsement amend the coverage provided under the Businessowners Coverage Form. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement.

SUMMARY OF COVERAGES

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Arson Rewards	\$10,000	3
Brands and Labels	Included	9
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Business Income Billable Hours Option	\$25,000	10
Business Income and Extra Expense Contingent Transit Coverage	\$25,000	3
Business Income and Extra Expense at Newly Acquired or Constructed Property	\$500,000	8
Business Income and Extra Expense Transit Coverage	\$25,000	3
Business Income from Websites	\$10,000	4
Business Income from Dependent Properties	\$50,000	8
Business Personal Property at Newly Acquired Premises	\$500,000	8
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Extended Business Income	90 Days	8
Fine Arts	\$25,000	6
Forgery or Alteration	\$25,000	8
Identity Fraud Expense Coverage	\$15,000	4
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Leasehold Interest (Tenant's Only)	\$10,000	6
Lessor's Lease Cancellation	\$10,000	6
Lock Replacement	\$1,500	7
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Description	Limit	Page
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Outdoor Signs Attached to Buildings	\$10,000	10
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Personal Effects	\$25,000	9
Personal Property Off Premises	\$25,000	9
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Temporary Relocation of Property	\$50,000	7
Unauthorized Business Credit Card Use	\$5,000	7
Unintentional Failure to Disclose Hazards	Included	10
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Water Back Up and Sump Overflow	\$25,000	8
Bucket Limit of Insurance	Limit	Page
Accounts Receivable	Included in Bucket	10
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Fire Extinguisher Systems Recharge	Included in Bucket	10
Ordinance or Law Coverage	Included in Bucket	10
Outdoor Signs – Optional Coverage	Included in Bucket	10
Valuable Papers	Included in Bucket	10

Premises Boundary, Amended Distance

SECTION I – PROPERTY

1. Paragraph **A. 1. a. (6) (b)** is amended as follows:

Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

2. Paragraph **A. 1. b.** is amended as follows:

Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 1,000 feet of the described premises, including:

3. **A. 5. Additional Coverage, f. Business Income (1) (a).** The coverage is amended to include the area within 1,000 feet of the site at which the described premises are located.
4. **A. 5. Additional Coverage, g. Extra Expense (1).** The coverage is amended to include the area within 1,000 feet of the site at which the described premises are located.
5. **A. 5. Additional Coverage, o. Fire Extinguisher Systems Recharge Expense (1) (a).** The coverage is amended to the area within 1,000 feet of the described premises.
6. **A. 6. Coverage Extensions.** The coverage is amended to the area within 1,000 feet of the described premises.

The following are added to **Additional Coverages**, section **A.5.**

s. Advertising Expense to Regain Customers

- (1) If we make payment for a Covered Cause of Loss under this policy due to the necessary suspension of your operations caused by direct physical loss of or damage to property at the described premises, we will pay the necessary advertising expenses you incur solely to regain customers.
- (2) We will only pay the necessary advertising expenses that you incur within 60 consecutive days after the “period of restoration” ends.
- (3) The most we will pay under this Additional Coverage for all necessary advertising expenses in any one policy year is \$2,500.

t. Arson Rewards

We will pay for rewards given to any person or persons, other than you, your officers, your partners or your employees, for information leading to an arson conviction in connection with a fire loss to the described premises. The most we will pay under this

additional coverage is \$10,000 per fire loss. This is the most we will pay regardless of the number of persons who provided the information;

u. Business Income and Extra Expense Contingent Transit Coverage

- (1) You may extend your Business Income or Extra Expense Coverage to apply to the actual loss of Business Income (not including Extended Business Income) or Extra Expense you sustain due to direct physical loss of or damage to Business Personal Property of Others, not in your care, custody or control, while in “due course of transit”, caused by or resulting from a Covered Cause of Loss.
- (2) The most we will pay for loss under this coverage is \$25,000.
- (3) This Additional Coverage is not subject to **C. Limits of Insurance** under **Section I – Property.**
- (4) The following is added to Paragraph **H. Definitions:**
“Due Course of Transit” means the transportation of property that begins when property is delivered for transportation until it is delivered to any site or to its intended destination; and includes temporary stops which are incidental to the main purpose of delivery.

v. Business Income and Extra Expense Contingent Transit Coverage

- (1) We will pay the actual loss of Business Income you sustain and necessary and reasonable Extra Expense you incur caused by direct physical loss of or direct physical damage to Covered Property while in “due course of transit” caused by or resulting from a Covered Cause of Loss.
- (2) The most we will pay for loss in any occurrence under this Additional Coverage is \$25,000.
- (3) This Additional Coverage is not subject to **C. Limits of Insurance** under **Section I – Property.**

The following is added to Paragraph **H. Definitions:**

- (4) “Due Course of Transit” means the transportation of property that begins when property is delivered for transportation until it is delivered to any site or to its intended destination; and includes temporary stops which are

incidental to the main purpose of delivery.

w. Business Income from Websites

- (1) You may extend this insurance to apply to a suspension of operations caused by direct physical loss or damage to property that you depend on for web site and communications services from a Covered Cause of Loss.
- (2) We will not pay for any loss of Business Income you incur during the first 12 hours that immediately follows the time when you first discovered the Covered Cause of Loss. This Waiting Period does not apply to Extra Expense.
- (3) The most we will pay for the actual loss of Business Income and necessary and reasonable Extra Expense in any one occurrence under this Additional Coverage is \$10,000 and only for the 7-day period immediately following the Covered Cause of Loss.
- (4) Coverage does not apply to websites unless there is a duplicate or back-up copy of your Web Page stored at a location that is at least 1,000 feet away from the premises of the vendor that provides "web site and communications services".
- (5) "Web Site and Communication Services" means:
 - (a) Internet access, email, web hosting, value added network services and application software services at the premises of others; or
 - (b) Network and router infrastructure services, including cable and wireless, located more than 1,000 feet from the described premises.
- (6) This Additional Coverage is not subject to **C. Limits of Insurance** under **Section I – Property**.

x. Contract Penalties

- (1) We will pay for contract penalties you are required to pay due to your failure to provide your product or service according to contract terms because of direct physical loss or damage by a Covered Cause of Loss to Covered Property.
- (2) The most we will pay for all penalties in any one occurrence is \$10,000.

- (3) This Additional Coverage is not subject to **C. Limits of Insurance** under **Section I – Property**.

y. Deferred Payments

- (1) We will pay for your interest in lost or damaged Personal Property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers. The loss or damage must be caused by a Covered Cause of Loss.
- (2) The most we will pay for loss under this Additional Coverage is \$2,500. When a total loss to that property occurs, deferred payments are valued on the amount shown on your books as due from the buyer. When a partial loss to that property occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payments are valued as follows:
 - (a) If the realized value of the repossessed property is greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; but
 - (b) If the realized value of the repossessed property is less than the amount shown on your books as due from the buyer, we will pay the difference.

When loss occurs and the buyer continues to pay you, there will be no loss payment. This Additional Coverage is not subject to **C. Limits of Insurance** under **Section I – Property**.

z. Identity Fraud Expense Coverage

- (1) We will pay up to \$15,000 for the sum of all "expenses" incurred by you as the direct result of all acts of "identity fraud" first discovered or learned of during the policy period.
- (2) We will pay up to \$5,000 for the sum of all additional advertising expenses you incur to restore your reputation as the result of all acts of "identity fraud" first discovered or learned of during the policy period.
- (3) Regardless of the number of claims you make:
 - (a) The Identity Fraud Expense Aggregate Limit shown in the Schedule is the most we will pay for the sum of all "expenses"; and

- (b) \$5,000 is the most we will pay for the sum of all additional advertising expenses.

These limits are the most we will pay as a result of all acts of "identity fraud" which are first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against you, is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

- (4) With respect to the coverage provided by this additional insurance, the following is added to Paragraph **B. Exclusions**:

We will not pay for:

- (a) "Expenses" or additional advertising expenses incurred by you as the result of any "identity fraud" due to any fraudulent, dishonest or criminal act by:
- (i) You, your partners, "members", officers, "managers", directors, trustees; or
 - (ii) Any authorized representative of yours, but only if such act was committed with the knowledge or consent of any of the individuals listed in Paragraph B.1.a. of this endorsement, whether acting alone or in collusion with others.

In the event of any such act, no insured is entitled to "expenses" or additional advertising expenses, including insureds who did not commit or conspire to commit the act causing the "identity fraud".

- (b) Loss other than "expenses" or additional advertising expenses.

- (5) **The following is added to Paragraph E.3. Duties In The Event Of Loss Or Damage Property Loss Conditions:**

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" or additional advertising expenses under Identity Fraud Expense Coverage.

- (6) **This additional coverage does not apply to any loss payable under the Employee Dishonesty Optional Coverage.**

- (7) The following definitions are added to Paragraph **H. Definitions**:

- (a) "Expenses" means:

- (i) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
 - (ii) Costs for certified mail to law enforcement agencies, financial institutions or similar credit grantors.
 - (iii) Costs for obtaining credit reports.
 - (iv) Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$250 per day. Total payment for lost income is not to exceed \$10,000.
 - (v) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
 - (vi) Reasonable attorney fees incurred as a result of "identity fraud" to:
 - (a) Defend lawsuits brought against you by merchants, vendors, suppliers, financial institutions or their collection agencies;
 - (b) Remove any criminal or civil judgments wrongly entered against you; and
 - (c) Challenge the accuracy or completeness or any information in a consumer credit report.
 - (vii) Charges incurred for long distance telephone calls to merchants, vendors, suppliers, customers, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud."
- (b) "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of your business, as

described in the Declarations, with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

aa. Fine Arts

- (1) Coverage as per BP 07 77 applies.
- (2) The most we will pay under this Additional Coverage is \$25,000 per occurrence.
- (3) This Additional Coverage is not subject to **C. Limits of Insurance** under **Section I Property**.

bb. Leasehold Interest (Tenant's Only)

- (1) If your lease is cancelled due to direct physical damage to property at the described premises caused by or resulting from a Covered Cause of Loss, we will pay the net loss you sustain due to increased rent under a replacement lease.
- (2) The most we will pay for loss because of the cancellation of any lease or leases because of the same covered cause of loss is:
 - (a) If your lease is cancelled and either:
 - (i) Your landlord allows you to continue to use your premises under a new lease not to exceed today's prevailing lease rate, or
 - (ii) You relocate to other permanent premises and enter into a new lease.

For the duration of the lease in effect at the time of the loss, we will pay the increase in rent between what you were paying at the time of loss and the rent you will be required to pay for equivalent premises under the replacement lease;

- (b) \$10,000;
- (c) Nothing if there is no written or legally binding lease, whichever is less.
- (3) The following provisions apply to (2)(a)(i) and (ii) above:
 - (a) If the lease in effect at the time of the loss contains a renewal option, the expiration date of the renewal option period will replace the expiration of the current lease.
 - (b) If the lease has no end date, we will pay the difference in rent for a period of no more than 12 months

after the date of the direct physical damage to the premises.

- (4) The following provision applies to (2)(a) and (b) above:
 - (a) \$10,000 will be the maximum amount payable regardless of the number of leases affected by the same covered cause of loss.
 - (b) Existence of a renewal option will not increase, or have any other effect on this limit.
- (5) Special Leasehold Interest Exclusion. We will not pay for any loss or damage:
 - (a) If the unit or suite rented or leased to you where direct damage occurs has been vacant more than 60 consecutive days before the loss or damage occurs, and you have not entered into an agreement to sublease the unit or suite.
 - (b) Caused by your cancelling the lease, or
 - (c) Caused by the suspension, lapse or cancellation of any license.

This Additional Coverage is not subject to **C. Limits of Insurance** under **Section I – Property**.

cc. Lessor's Lease Cancellation

- (1) We will pay the actual loss of business income you sustain due to the cancellation of a lease by your tenants in a Covered Building due to untenability that is caused by direct physical loss or damage to that building from a Covered Cause of Loss. This Additional Coverage only applies if at the time of loss the building was occupied and business was being conducted by the tenant cancelling the lease or their sub-lessee.
- (2) We will pay for loss of business income that you sustain after tenability is restored and until the earlier of:
 - a. The date you lease the premises to another tenant; or
 - b. 90 days immediately following the "period of restoration".
- (3) Regardless of the number of tenants cancelling a lease at the described premises, the most we will pay under this Additional Coverage is \$10,000 per occurrence.
- (4) This Additional Coverage is not subject to **C. Limits of Insurance** under **Section I – Property**.

(5) Special Lease Cancellation

Exclusions

We will not pay for:

- (a) Lease cancelled after the "period of restoration";
- (b) Lease cancelled, suspended or allowed to lapse by you;
- (c) Return of prepaid rent or security and other deposits made by tenants; or
- (d) Lease cancelled at the normal expiration date.

dd. Lock Replacement

We will pay up to \$1,500 in one occurrence of the cost of repair or replace the door locks or tumblers of your described premises due to theft of your door keys, regardless of the number of keys stolen.

ee. Temporary Relocation of Property

- (1) We will pay for loss of or damage to Covered Property from a Covered Cause of Loss while it is away from the described premises, if it is being stored temporarily at a location you do not own, lease or operate while the described premises is being renovated or remodeled.
- (2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.
- (3) The most we will pay under this Additional Coverage is \$50,000.
- (4) This Additional Coverage is not subject to **C. Limits of Insurance** under **Section I – Property**.

ff. Unauthorized Business Credit Card Use

- (1) We will pay for loss resulting from the theft or unauthorized use of Business Credit Cards issued to you or registered in your name.
- (2) We do not cover use of a Business Credit Card by a person who has been entrusted with the card.
- (3) All loss:
 - (a) Caused by any one or more persons; or
 - (b) Involving a single act or series of related acts;Is considered one occurrence regardless of the number of individual unauthorized transactions.
- (4) If a suit is brought against you for liability under this Additional Coverage, we will pay for reasonable legal expenses incurred in that defense.

- (5) The most we will pay for any loss including legal expenses, under this Additional Coverage is \$5,000.

This Additional Coverage is not subject to **C. Limits of Insurance** under **Section I – Property**.

gg. Utility Services

Unless form BP0456 and/or BP 0457 is attached and limits appear on the Declarations, the following applies to utility services under **1.** and **2.** below.

- (1) We will pay for loss of or damage to Covered Property caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provides the services shown below in paragraph (3). The most we will pay for any loss under this Additional Coverage is \$5,000.
- (2) We will pay for loss of Business Income, not including Extended Business Income, or Extra Expense caused by the interruption of service at the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provides the services shown in paragraph (3). We will only pay for loss you sustain after the first 24 hours following the direct physical loss or damage to the property described. The most we will pay for any loss under this Additional Coverage is \$5,000.
- (3) Services:
 - (a) Water Supply Services, meaning the following types of property supplying water to the described premises:
 - i. Pumping stations; and
 - ii. Water mains
 - (b) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - i. Communication transmission lines;
 - ii. Coaxial cables; and
 - iii. Microwave radio relays except satellites.

It does not include overhead transmission lines or overhead distribution lines.

- (c) **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - i. Utility generating plants;
 - ii. Switching stations;
 - iii. Substations;
 - iv. Transformers; and
 - v. Transmission lines,

But does not include overhead transmission lines, overhead distribution lines, overhead transformers or any other overhead service equipment.

If specific limits are shown for these coverages in the Declarations, this coverage applies as excess.

hh. Water Back Up and Sump Overflow form BP 81 90 is added to this policy

The most we will pay for the coverage provided under this endorsement for all individual losses occurring at any one location during any period of 72 consecutive hours arising out of and directly occasioned by the same event is \$25,000; unless a higher Water Back-Up And Sump Overflow Limit of Insurance is indicated on the Declarations, in which case this limit is in addition to the amount shown on the Declarations.

Additional Coverages A. 5 are amended as follows:

- a. **Debris Removal** is increased from \$10,000 to \$25,000;
- b. **Preservation of Property (2)** Only if the loss or damage occurs within 60 days after the property is first moved.
- f. **Business Income (2) Extended Business Income (a) (ii) ii.** is deleted and replaced by the following:
90 consecutive days after the date determined in Paragraph **(a)(i)** above, unless a greater number of consecutive days is shown in the Declarations.

However, **Extended Business Income** does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

j. Money Orders And "Counterfeit Money"

The most we will pay for any loss under this Additional Coverage is \$5,000. If specific limits are shown for these coverages in the Declarations, this coverage applies as excess.

k. Forgery or Alteration (4):

The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$25,000. If specific limits are shown for these coverages in the Declarations, this coverage applies as excess. We will not pay for loss resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons.

m. Business Income from Dependent Properties

The most we will pay under this Additional Coverage is \$50,000 unless a higher Limit of Insurance is indicated in the Declarations.

p. Electronic Data

The most we will pay under this Additional Coverage is \$25,000 unless a higher Limit of Insurance is indicated in the Declarations.

q. Interruption of Computer Operations

The most we will pay under this Additional Coverage is \$25,000 unless a higher Limit of Insurance is indicated in the Declarations.

Under the Coverage Extensions, section A.6. the following increases apply:

The **Outdoor Property** limit is increased from \$2,500 to \$25,000, but not more than \$2,000 for any one tree, shrub or plant.

Buildings at Newly Acquired Premises is increased from \$250,000 to \$1,000,000 ;

Business Personal Property at Newly Acquired Premises is increased from \$100,000 to \$500,000;

Business Income and Extra Expense at Newly Acquired or Constructed Property

You may extend the insurance that applies to Business Income and Extra expense to apply to property at any location you acquire. The most we will pay for loss or damage under this Extension is \$500,000.

Period of Coverage at Newly Acquired or Constructed Property

- (b) 60 days after you acquire the property or begin construction of that part of the building that would qualify as covered property.

The **Personal Effects** limit is increased from \$2,500 to \$25,000.

Personal Property Off Premises is increased from \$10,000 to \$25,000.

The following is added to Coverage Extensions, section **A.6.**:

g. Unscheduled Outbuildings

You may extend the insurance that applies to buildings to include unscheduled outbuildings at any premises described in the Declarations. The most that we will pay for any covered cause of loss to an unscheduled outbuilding is \$25,000.

h. Brands and Labels

(1) If Covered Property that has a brand or label is damaged by a Covered Cause of Loss and we elect to take all or any part of the damaged property at an agreed or appraised value, you may extend the insurance that applies to your Business Personal Property to:

(a) Pay expenses you incur to:

(i) Remove the brand or label and then re-label the damaged property to comply with any applicable law; or

(ii) Label or stamp the damaged property Salvage, if doing so will not physically damage the property.

(b) Cover any reduction in the salvage value of the damaged property as a result of the removal of the brand or label.

(2) Payment under this Extension is included within the Limit of Insurance applicable to your Business Personal Property.

i. Consequential Loss to Stock

(1) You may extend the insurance that applies to your Business Personal Property to apply to the reduction in value of the remaining parts of "stock" in process of manufacture that are physically undamaged but are unmarketable as a complete product because of direct physical loss or damage from a Covered Cause of Loss to other parts of covered "stock" in process of manufacture at an insured location.

(2) Should it be determined that such "stock" retains only a salvage value, we retain the option of paying the full value of the "stock" as agreed within this

policy, and taking the damaged property for salvage purposes.

(3) Payment under this Coverage Extension is included within the applicable Limit of Insurance.

j. Credit Card Slips

You may extend the insurance provided by this coverage form to cover sums due to you from customers if you are unable to collect those sums as a direct result of loss or damage to credit card slips from a Covered Cause of Loss.

If you are otherwise unable to accurately determine the amount of loss involving credit card slips, the loss will be computed as follows:

(1) The percentage of credit card sales to total sales for the twelve (12) months immediately preceding the loss shall be computed. If your business has been in operation less than twelve (12) months, we will use the period of time your business has been operating.

(2) The percentage calculated in Step (1) above will be applied to the sales for the month ending at the time of loss. The result will be the amount of credit card sales for that month.

(3) If the total sales for the month ending at the time of loss are not known, total sales will be computed based on the most recent month for which sales are known.

(4) We will deduct, from the amount determined in Step (2) or (3) above, the amount of credit card sales on records not damaged or destroyed. We will also deduct at amount to allow for probable uncollectible bad debts as evidenced by your financial records.

(5) Credit card slips are those copies of credit card transaction records from your customers you use to gain payment for your services from credit card companies.

(6) The most we will pay under this Extension is \$5,000.

Under the **LIMITS OF INSURANCE** section **C.2.**, the limit for outdoor signs attached to buildings is increased from \$1,000 to \$10,000 per sign in any one occurrence.

Under **OPTIONAL COVERAGE**, section **G**, it is agreed that the following coverages apply as though shown in the Declarations:

2. Money And Securities The limits as described in item c. are shown here:

\$10,000, **Inside** the Premises and \$10,000 **Outside** the Premises.

If a limit is shown in the Declarations for this coverage, these limits are in addition to the limit shown on the Declarations

3. Employee Dishonesty, c., is replaced by the following:

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations but not less than \$25,000. If a limit is shown in the Declarations, this \$25,000 limit is in addition to the limit shown.

The following is added to **SECTION II- LIABILITY, E. Liability and Medical Expenses General Conditions**

5. Unintentional Failure to Disclose Hazards- If you unintentionally fail to disclose any hazards existing on the effective date of this coverage form, we will not deny coverage under this coverage form because of such failure.

The following is added as **Paragraph I** to **SECTION I - PROPERTY**

I. Bucket Limit of Insurance

1. Your Bucket Limit of Insurance applies to covered loss or damage to the following types of property, or Coverages:

- a. Fire Department Service Charge –**
Section 1 A.5.c.
- b. Fire Extinguisher Systems Recharge Expense**
Section 1 A.5.o
- c. Valuable Papers -Section 1 A.6.e-**
- d. Accounts Receivable –** Section 1 A.6.f.
- e. Outdoor Sign Section 1 G.1.**
- f. Ordinance or Law Coverage -** as per form BP 04 46 – Section 1. D.

- (1)** Coverage 1 – Coverage For Loss To The Undamaged Portion Of The Building
- (2)** Coverage 2 – Demolition Cost Coverage
- (3)** Coverage 3 – Increased Cost Of Construction Coverage

- 2.** Your Bucket Limit of Insurance applies per occurrence on a policy level basis. The first Named Insured may choose which portion of the limit will apply to the property and Coverages listed above at the time of loss.
- 3.** If Specific Limits of Insurance are shown in the Declarations for any Coverages or property also subject to this Bucket Limit, then this Bucket Limit of Insurance will apply in excess of the Specific Limits of Insurance and any deductible applying to them.
- 4.** The Bucket Limit of Insurance applies only— when loss or damage occurs at the described premises scheduled on the Businessowners Declarations.
- 5.** Your per policy Bucket Limit of Insurance is shown in the Declarations.

Business Income – Billable Hours Option

Under **Section I – Property E. Property Loss**

Conditions, paragraph **5.**, the following is added:

a. A covered loss under the Business income and Extra Expense coverage may be adjusted on the following basis at your option:

(1) You may choose to have your Business Income loss paid on a billable hours basis. If you choose this settlement method, the billable hours will be verified through review of your historical financial records or based on an average of your billable hourly rate over the past 12 months.

(2) If you choose to elect this optional loss settlement method for loss caused by any one “occurrence”, we will not calculate lost Business Income and Extra Expense as required under Additional Coverages **f.** and **g.** of the Businessowners Coverage Form.

(3) If you choose this option, under **Section I – Property, A.5. Additional Coverages**, paragraph **(c)** under **f. Loss of Business Income**, is replaced with the following:

(c) Business Income means the:

(1) The income that would have been generated from billable hours normally charged by you

to your clients for services performed by you or your employees if no physical loss or damage occurred; and

- (2) Other income of your business that would have been incurred if no physical loss or damage occurred, and
- (3) Continuing normal operating expenses incurred.
- (4) The most we will pay for loss of business income under the billable hours option in any one "occurrence" is \$25,000.
- (5) For any "occurrence", the two available methods for adjusting and calculating business income and extra expense loss may not be combined. When the alternative billable hours approach described above is selected, the maximum coverage under this loss settlement option is \$25,000 on an actual loss sustained basis.