

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

## BUSINESS INTERRUPTION COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form to which this endorsement is attached apply, unless modified by the endorsement.

### SCHEDULE

<b>Description Of Business Activities Dependent On Scheduled Property:</b>	
<b>Applicable Coverage(s)</b> (select one):	
<input type="checkbox"/> <b>Business Income (Without Extra Expense)</b> <input type="checkbox"/> <b>Business Income And Extra Expense</b>	
<b>Option A</b>	
<b>Description Of Scheduled Property</b>	<b>Limit Of Insurance</b>
1.	\$
2.	\$
3.	\$
4.	\$
5.	\$
6.	\$
<b>Notes:</b>	
<ul style="list-style-type: none"> <li>● Use this section of the Schedule (Option A) if there is only one item of scheduled property or to show a separate Limit of Insurance for each item of scheduled property. The Limit of Insurance can be the same amount for each item or a different amount for each item.</li> <li>● A particular item of scheduled property may be shown under Option A or Option B of this Schedule, but not under both Options. Therefore, if Options A and B are used, each Option must pertain to different items of scheduled property.</li> </ul>	

Option B	
<b>Description Of Scheduled Property</b>	
1.	
2.	
3.	
4.	
5.	
6.	
<b>Limit Of Insurance</b>	<b>\$</b>
<b>Notes:</b> <ul style="list-style-type: none"> <li>● Use this section of the Schedule (Option B) when a single Limit of Insurance applies to the total of all covered business income loss and extra expense attributable to all items of scheduled property subject to such Limit.</li> <li>● A particular item of scheduled property may be shown under Option A or Option B of this Schedule, but not under both Options. Therefore, if Options A and B are used, each Option must pertain to different items of scheduled property.</li> </ul>	
<b>Covered Causes Of Loss Option(s)</b> (select all that apply): <input type="checkbox"/> Comprehensive    OR <input type="checkbox"/> Specified Causes Of Loss <input type="checkbox"/> Collision	
<b>Business Income Coverage Waiting Period</b> (number of hours, if other than 72):	
<b>Extended Business Income Additional Coverage</b> (number of consecutive days, if other than 60):	
<b>Premium:</b>	<b>\$</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

## A. Coverage

This endorsement provides coverage in accordance with the entries made in the Schedule.

### 1. Business Income

We will pay for the actual loss of "business income" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct and accidental loss or damage to "scheduled property". The direct and accidental loss or damage must be caused by or result from a Covered Cause of Loss and must occur while such "scheduled property" is located within the coverage territory.

### 2. Extra Expense

If the Schedule indicates that Extra Expense Coverage applies, we will pay the actual and necessary "extra expense" you incur during the "period of restoration" due to direct and accidental loss or damage to "scheduled property". The direct and accidental loss or damage must be caused by or result from a Covered Cause of Loss and must occur while such "scheduled property" is located within the coverage territory.

## B. Additional Coverages

### 1. Extended Business Income

If the necessary "suspension" of your "operations" produces a "business income" loss payable under this endorsement, we will pay for the actual loss of "business income" you incur during the period that:

- a. Begins on the date "scheduled property" is actually repaired or replaced and "operations" are resumed; and
- b. Ends on the earlier of:
  - (1) The date you could restore your "operations", with reasonable speed, to the level which would generate the "business income" amount that would have existed if no direct and accidental loss or damage had occurred; or
  - (2) 60 consecutive days after the date determined in Paragraph **B.1.a.**, unless a different number of days is shown in the Schedule.

However, Extended Business Income Additional Coverage 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 "scheduled property" is normally used.

Loss of "business income" must be caused by direct and accidental loss or damage to "scheduled property" caused by or resulting from a Covered Cause of Loss.

### 2. Temporary Substitute And Newly Acquired Property

The coverage applicable to "scheduled property" under this endorsement is extended to apply to:

- a. Property that is used as a temporary substitute for "scheduled property", but only while such "scheduled property" is out of service due to breakdown, repair, servicing, destruction or direct and accidental loss or damage;
- b. Newly acquired property, other than temporary substitute property described in Paragraph **B.2.a.**, but only if:
  - (1) It serves as a replacement for "scheduled property"; and
  - (2) You tell us within 30 days after you acquire it that you want it to be added as "scheduled property".

## C. Covered Causes Of Loss

1. With respect to the coverage provided under this endorsement, the following Covered Causes of Loss apply if selected in the Schedule:
  - a. Comprehensive, meaning any cause of direct and accidental loss or damage except:
    - (1) "Scheduled property's" collision with another object; or
    - (2) "Scheduled property's" overturn.Comprehensive also includes direct and accidental loss or damage caused by falling objects, missiles or hitting a bird or animal.

b. Specified Causes Of Loss, meaning direct and accidental loss or damage caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting "scheduled property".

c. Collision, meaning direct and accidental loss or damage caused by:

- (1) "Scheduled property's" collision with another object; or
- (2) "Scheduled property's" overturn.

#### D. Exclusions

We do not provide coverage under this endorsement:

1. When direct and accidental loss or damage is caused by or results from any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the direct and accidental loss or damage:

##### a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

##### b. War Or Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. When direct and accidental loss or damage to "scheduled property" is caused by or results from "scheduled property" being used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We also do not provide coverage under this endorsement while that "scheduled property" is being prepared for such contest or activity.

3. When direct and accidental loss or damage is due and confined to:

- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

4. For any increase of "business income" loss caused by or resulting from the suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your "business income" during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of Extended Business Income Additional Coverage.

5. For any "extra expense" caused by or resulting from the suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

6. For any other consequential loss.

#### E. Limit Of Insurance

1. When a separate Limit of Insurance applies to each item of "scheduled property" as shown in Option A of the Schedule, that Limit is the most we will pay in any one occurrence for the total of all covered "business income" loss and "extra expense" attributable to that item of "scheduled property", regardless of the number of premiums paid or claims made.

2. When a single Limit of Insurance applies to more than one item of "scheduled property" as shown in Option B of the Schedule, that Limit is the most we will pay in any one occurrence for the total of all covered "business income" loss and "extra expense" attributable to all items of "scheduled property" to which that Limit applies, regardless of the number of items of "scheduled property", premiums paid or claims made.

3. "Business income" loss and "extra expense" attributable to a particular item of "scheduled property" will not be covered under more than one Limit of Insurance. Therefore:

- a. If more than one such Limit could be said to apply based on the descriptions of "scheduled property", then coverage will be subject to the Limit of Insurance associated with the more specific description of that item;

- b. If the same description of "scheduled property" appears more than once in the Schedule, then coverage for such item of "scheduled property" will be subject to the Limit of Insurance that would provide the highest loss payment.

- 4. Payments made under Extended Business Income Additional Coverage or Temporary Substitute And Newly Acquired Property Additional Coverage will not increase the applicable Limit of Insurance.

## F. Changes In Conditions

With respect to the coverage provided by this endorsement, the following conditions are added and replace any provisions to the contrary:

### 1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

### 2. Duties In The Event Of Loss

If there is direct and accidental loss or damage to "scheduled property", you must do the following:

- a. Give us or our authorized representative prompt notice of such loss or damage. Include a description of the "scheduled property" involved.
- b. As soon as possible, give us or our authorized representative a description of how, when and where such loss or damage occurred.
- c. Promptly notify the police if "scheduled property" or any of its equipment is stolen.

- d. Take all reasonable steps to protect "scheduled property" from further damage, and keep a record of your expenses necessary to protect "scheduled property", for consideration in the settlement of the claim. Also, if feasible, set such property aside and in the best possible order for examination.

- e. As often as may be reasonably required, permit us to inspect "scheduled property" and examine and make copies of your books and records.

- f. Agree to examinations under oath at our request and give us a signed statement of your answers.

- g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- h. Cooperate with us in the investigation or settlement of the claim.

- i. If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

### 3. Other Insurance

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance provided under this endorsement. If you do, we will pay our share of the covered "business income" loss or "extra expense". Our share is the proportion that the applicable Limit of Insurance under this endorsement bears to the Limits of Insurance of all insurance covering on the same basis.

- b. If there is other insurance covering the same "business income" loss or "extra expense", other than that described in Paragraph F.3.a., we will pay only for the amount of covered "business income" loss or "extra expense" in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

### 4. Loss Determination

- a. The amount of "business income" loss will be determined based on:

- (1) The Net Income of your "operations" before the direct and accidental loss or damage occurred;

- (2) The likely Net Income of your "operations" if no direct and accidental loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of your "operations" due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct and accidental loss or damage; and
  - (4) Other relevant sources of information, including:
    - (a) Your financial records and accounting procedures;
    - (b) Bills, invoices and other vouchers; and
    - (c) Titles, liens or contracts.
- b. The amount of "extra expense" will be determined based on:
- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct and accidental loss or damage had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (b) Any "extra expense" that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as the coverage provided by this endorsement; and
  - (2) Necessary expenses that reduce the "business income" loss that otherwise would have been incurred.

**5. Resumption Of Operations**

- a. We will reduce the amount of your "business income" loss, other than "extra expense", to the extent you can resume "operations", in whole or in part, by using any property.
- b. We will reduce the amount of your "extra expense" loss to the extent you can return "operations" to normal and discontinue such "extra expense".

- c. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

**6. Loss Payment**

We will pay for covered "business income" loss or "extra expense" within 30 days after we receive the sworn documentation addressed in Paragraph **F.2.g.**, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of such loss; or
- b. An appraisal award has been made.

**G. Additional Definitions**

As used in this endorsement:

- 1. "Business income" means the:
    - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
    - b. Continuing normal operating expenses incurred, including payroll.
  - 2. "Extra expense" means necessary expenses (other than the expense to repair or replace property) that you would not have incurred if there had been no direct and accidental loss or damage to "scheduled property". "Extra expense" includes expenses which are incurred:
    - a. To avoid or minimize the "suspension" of "operations" and to continue "operations";
    - b. To minimize the "suspension" if you cannot continue "operations"; or
    - c. For temporary use of other property.
  - 3. "Operations" means your business activities described in the Schedule that are dependent on "scheduled property".
  - 4. "Period of restoration" means the period of time that:
    - a. Begins:
      - (1) 72 hours after the time of direct and accidental loss or damage for Business Income Coverage, unless a different number of hours is shown in the Schedule for the Business Income Coverage Waiting Period; or
      - (2) Immediately after the time of direct and accidental loss or damage for Extra Expense Coverage;
- caused by or resulting from a Covered Cause of Loss to "scheduled property"; and

b. Ends on the earlier of:

- (1) The date when "scheduled property" should be repaired or replaced with reasonable speed and similar quality; or
- (2) The date when "operations" are resumed.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the use or repair of any property, or requires updated emissions controls or safety features which were not part of "scheduled property" prior to the direct and accidental loss or damage; or

- (2) Requires anyone to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

5. "Scheduled property" means the items of property described in the Schedule, including machinery or equipment that is permanently installed in such property. "Scheduled property" does not include buildings, locations or premises.
6. "Suspension" means the slowdown or cessation of your "operations".