

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SECTIONS I AND II – LIMITED COVERAGE FOR YEAR 2000 COMPUTER-RELATED AND OTHER ELECTRONIC PROBLEMS

(FOR USE ONLY WITH THE HOME BUSINESS INSURANCE COVERAGE ENDORSEMENT)

The coverage provided under this endorsement applies only to the "business" described in the Schedule of the Home Business Insurance Coverage Endorsement.

The provisions of Endorsement **HO 07 58** do not apply to the coverage provided under this endorsement.

A. Definitions

As used in this endorsement, the word "computer" and the term "computer failure" have the following meanings:

1. "Computer" means:

- a. Computer hardware, software, operating systems, networks, or chips; or
- b. Other electronic parts, equipment or systems including other electronic media and records;

that belong to an "insured" or others.

2. "Computer failure" means the failure or deficiency of a "computer" because one or more of these products cannot correctly process, recognize, discern, interpret or accept the year 2000 and beyond.

B. Section I – Property Coverages

1. Subject to **B.3.** below, this endorsement covers the actual loss of income your business sustains caused by "computer failure" and the actual and necessary "extra expense" you incur due to "computer failure":

- a. At the "residence premises"; or
- b. At another location if an off-premises "computer":

- (1) Interfaces with a "computer" at the "residence premises"; or

- (2) Is otherwise used in the "operations" of the "business" at the "residence premises".

However, this endorsement does not cover any income that would likely have been earned as a result of an increase in "business" activities due to favorable business conditions caused by the impact of the "computer failure".

2. "Extra expense" means the necessary expenses you incur that you would not have incurred if there had been no "computer failure". "Extra expense" includes expenses for repair, modification or replacement of the "computer" but only to the extent that such expenses reduce the amount of business income loss that otherwise would have been payable under the provisions of this endorsement.

3. The most we will pay under **B.1.** above for the total of all losses sustained and expenses incurred in any one policy year is \$25,000, regardless of the number of "computer failures" or the number of "computers" involved in any "computer failure".

4. With respect to an instance of "computer failure", coverage under this endorsement ends:

- a. 30 days after the "computer failure" is corrected; or
- b. When there is no further loss or expense caused by that "computer failure";

whichever comes first.

C. Section II – Liability Coverages

Coverage **E** – Personal Liability and Coverage **F** – Medical Payments To Others apply to:

1. "Bodily injury" or "property damage"; or
2. "Personal and advertising injury";

arising out of the "computer failure". The limit of liability shown in the Schedule of the Home Business Insurance Coverage Endorsement applies to this coverage.

D. Sections I And II – Coverage

Coverage under this endorsement does not apply to a "computer failure" that affects the "business" "operations" at the "residence premises" prior to the inception date of this endorsement.

All other provisions of this policy apply.