

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL COVERAGE – SPOILAGE OF PERISHABLE STOCK

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

SCHEDULE*

Description Of "Perishable Stock"

Limit Of Liability

* Entries may be left blank if shown in this policy for this coverage.

A. DEFINITIONS

12. Additional Definitions

The following **Definitions** are added:

- r. "Perishable stock" means property on the "business" location that is:
 - (1) Maintained under controlled temperature or humidity conditions for preservation; and
 - (2) Susceptible to loss if the controlled temperature or humidity conditions change.
- s. "Breakdown or contamination" means:
 - (1) Contamination by a refrigerant only when the refrigerating apparatus or equipment is at the "business" location; or
 - (2) A change in temperature or humidity that results from mechanical breakdown or failure of apparatus or equipment, at the "business" location, that refrigerates, cools or humidifies "perishable stock".
Mechanical breakdown and failure do not mean "loss of power", no matter how caused.
- t. "Power outage" means a change in temperature or humidity that results from "loss of power" on or off the "business" location.

- u. "Loss of power" means the complete or partial interruption of electric power due to conditions beyond an "insured's" control.

SECTION I – PERILS INSURED AGAINST

With respect only to "perishable stock" described in the Schedule above, the Perils Insured Against:

- 1. Under Coverage **C** in the Homeowners Form; and
 - 2. In Endorsements **HO 05 24** and **HO 17 31**, when attached to the policy;
- are deleted.

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

The following additional coverage is added under **E.13.:**

g. "Perishable Stock"

We insure against risk of direct physical loss to "perishable stock" described in the Schedule:

- (1) Caused by; or
- (2) Resulting from;
"breakdown", "contamination" or "power outage".

SECTION I – EXCLUSIONS

1. The Section I – Exclusions in the Homeowners Form do not apply to spoilage of "perishable stock" described in the Schedule except for:
 - a. Earth Movement;
 - b. War;
 - c. Nuclear Hazard;
 - d. Governmental Action; and
 - e. Water Damage.
2. With respect only to the "perishable stock" described in the Schedule, the following exclusions are added:

We will not pay for loss:

- a. Caused by; or
- b. Resulting from:
 - (1) Disconnection of any refrigerating, cooling or humidity control system from the source of power;
 - (2) Deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
 - (3) Inability of an electrical utility company or other power source to provide sufficient power due to:
 - (a) Lack of fuel; or
 - (b) Governmental order;

- (4) Inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; or
- (5) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

SECTION I – CONDITIONS

I. Loss Payment

With respect only to "perishable stock" described in the Schedule, Paragraph 1. **Property Of Others** is deleted and replaced by the following:

1. Property Of Others

We will determine the value of "perishable stock" that you have sold but not delivered, at:

- a. The selling price less discounts and expenses you otherwise would have had; or
- b. At actual cash value.

All other provisions of this policy apply.