

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HOME BUSINESS INSURANCE COVERAGE

SCHEDULE*

We cover your "business" described in this Schedule, conducted at or from the "residence premises", subject to the provisions of this endorsement.

SECTION I – PROPERTY

"Business" Name And Description:

"Business" Location (Check 1. and/or 2. that follows):

- ☐ 1. In the dwelling building or unit in which the "insured" resides and shown as the "residence premises".
- ☐ 2. In an other structure on or at the location of the "residence premises".
(Enter the Limit of Liability and Description of the Structure(s) below)

Limit Of Liability	Description Of Other Structure(s)
\$	
\$	
\$	

Check Whichever Applies

Increased Limit – Property Away From the "Residence Premises"

- ☐ The Coverage C Special Limit of Liability described in C.3. in this endorsement under Category i. is increased to \$10,000.

Form Of "Business"

- ☐ Individual ☐ Joint Venture ☐ Partnership ☐ Organization (Other)

SECTION II – LIABILITY

Limits Of Liability

Coverage is provided on an aggregate limit basis. The annual aggregate limits of liability are as follows:

A. Aggregate Limits Of Liability

1. \$ **Products-Completed Operations Hazards Liability** (The Coverage E Limit)
2. \$ **All Other "Business" Liability** (Twice the Combined Limits of Coverages E and F)

B. Sub-Limit Of Liability

- \$ **Coverage F – Medical Payments To Others** (Per Person/Per Accident)

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

With respect to the "business" described in the Schedule, all provisions of the Homeowners policy to which this endorsement is attached apply, except as modified herein.

DEFINITIONS

3. Definition 3. which defines "business" is deleted and replaced by the following:

3. "Business" means the trade, profession, occupation or activity described in the Schedule of this endorsement that is conducted at or from the "residence premises" and is owned by:

- a. You; or
- b. A partnership, joint venture or other organization of which you and your resident relatives are the only partners, members or stockholders.

4. Definition 4. which defines "employee" is deleted and replaced by the following:

4. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

5. Definition 5. which defines "insured" is deleted and replaced by the following:

5. "Insured" means:

- a. You;
- b. Residents of your household who are your relatives, but only if they are partners, members or stockholders in your "business";
- c. A resident of your household, who is not a relative, but is a partner, member or stockholder of the covered "business" or;
- d. Under Section II of this endorsement, "Insured" also means:

(1) With respect to the conduct of your "business", any partnership, joint venture or other organization provided those persons described in a. or b. above are the only partners, members or stockholders;

(2) Your "employees", but only for acts within the scope of their employment by you or while performing duties related to the conduct of your "business". However, no "employee" is an "insured" for:

- (a) "Bodily injury" or "personal and advertising injury":

- (i) To you, to your partners or members (if you are a partnership or joint venture), or to a co-"employee" while that co-"employee" is either in the course of his or her employment by you or performing duties related to the conduct of your "business";

- (ii) To the spouse, child, parent or sibling of the co-"employee" as a consequence of (i) above;

- (iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described (i) or (ii) above; or

- (iv) Arising out of the "employee's" providing, or failing to provide, professional health care services; or

(b) "Property damage" to "business" property:

- (i) Owned, occupied or used by; or

- (ii) Rented to, in the care of, or over which physical control is being exercised for any purpose by;

you, any of your "employees" or, if you are a partnership or joint venture, by any partner or member; and

(3) Any person (other than your "employee") or any organization while acting as your real estate manager.

Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

12. Additional Definitions

The following definitions are added:

a. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters.

b. "Business Income" means the:

- (1)** Net income (net profit or loss before income taxes) that would have been earned or incurred if no physical loss had occurred, but not including any net 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 Peril Insured Against on customers or on other businesses; and
- (2)** Continuing normal operating expenses incurred, including payroll.

c. "Coverage Territory" means:

- (1)** The United States of America (including its territories and possessions), Puerto Rico and Canada;
- (2)** Under Section II of this endorsement, "coverage territory" also means:
 - (a)** International waters or airspace, provided the "bodily injury", "personal and advertising injury", or "property damage" does not occur in the course of travel or transportation to or from any place not included in **c.(1)** above; or
 - (b)** All parts of the world if:
 - (i)** The "bodily injury", "personal and advertising injury", or "property damage" arises out of:
 - (a)** Goods or products made or sold by you in the territory described in **c.(1)** above; or
 - (b)** The activities of a person whose home is in the territory described in **c.(1)** above when such person is away for less than one month on your "business"; and
 - (ii)** An "insured's" responsibility to pay damages is determined in a "suit" on the merits in the territory described in **c.(1)** above or in a settlement we agree to.

d. "Extra expense" means:

- (1)** Expense incurred:
 - (a)** To avoid or minimize the suspension of "business" and to continue "operations"; or
 - (b)** To minimize the suspension of "business" if you cannot continue "operations";

(2) Expense incurred:

- (a)** To repair or replace any "business" property; or
- (b)** To research, replace or restore the lost information on damaged "valuable papers and records";

to the extent that the activities described in **(2)(a)** and **(b)** above reduce the amount of loss that otherwise would have been payable under Section I Additional Coverages **E.13.c.** "Business Income" or **E.13.e.** "Extra Expense" of this endorsement.

e. "Impaired Property" means tangible "business" property, other than "your product" or "your work":

- (1)** That cannot be used or is less useful because:
 - (a)** It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - (b)** You have failed to fulfill the terms of a contract or agreement; or
- (2)** If such property can be restored to use by:
 - (a)** The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - (b)** Your fulfilling the terms of the contract or agreement.

f. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your "business". "Leased worker" does not include a "temporary worker".

g. "Loading or unloading" means the handling of property:

- (1)** After it is moved from the place where it is accepted for movement into or onto a "motor vehicle", aircraft, hovercraft or watercraft;
- (2)** While it is in or on a "motor vehicle", aircraft, hovercraft or watercraft; or
- (3)** While it is being moved from a "motor vehicle", aircraft, hovercraft or watercraft to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the "motor vehicle", aircraft, hovercraft or watercraft.

h. "Operations" means your "business" activities occurring at the "residence premises".

i. "Period of restoration":

(1) Means for "Business Income" Coverage, the period of time that begins 72 hours after the time of direct physical loss; or

(2) Means for "Extra Expense" Coverage, the period of time that begins immediately after the time of direct physical loss;

caused by or resulting from a Peril Insured Against at the "residence premises"; and

(3) Means the period of time that ends on the earlier of:

(a) The date when the property at the "residence premises" should be repaired, rebuilt or replaced with property of similar quality and with reasonable speed; or

(b) The date when "business" is resumed at the "residence premises";

(4) Does not include any increased period required due to the enforcement of any ordinance or law that:

(a) Requires or regulates the construction, demolition, remodeling, renovation or repair of property; or

(b) Requires any "insured" or others 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 "period of restoration" is not limited by expiration of this policy.

j. "Personal and Advertising Injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

(1) False arrest, detention or imprisonment;

(2) Malicious prosecution;

(3) Invasion of privacy, wrongful eviction or wrongful entry;

(4) Oral or written publication of material that:

(a) Slanders or libels a person or organization; or

(b) Disparages a person's or organization's goods, products or services; or

(5) Oral or written publication of material that violates a person's right of privacy;

(6) The use of another's advertising idea in your "advertisement"; or

(7) Infringing upon an other's copyright, trade, dress or slogan in your "advertisement".

k. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

l. "Products-Completed Operations Hazard":

(1) Includes all "bodily injury" and "property damage" occurring away from the "residence premises" and arising out of "your product" or "your work" except:

(a) Products that are still in your physical possession; or

(b) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(i) When all of the work called for in your contract has been completed;

(ii) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site; or

(iii) When that part of the work done at the job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

(2) Does not include "bodily injury" or "property damage" arising out of:

(a) The transportation of property, unless the injury or damage arises out of a condition in or on a "motor vehicle" not owned or operated by you, and that condition was created by the "loading or unloading" of that "motor vehicle" by an "insured"; or

(b) The existence of tools, uninstalled equipment or abandoned or unused materials.

m. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal and advertising injury" are alleged. "Suit" includes:

(1) An arbitration proceeding in which such damages are claimed and to which an "insured" must submit or does submit with our consent; or

- (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which an "insured" submits with our consent.
- n. "Temporary worker" means a person who is furnished to you to:
 - (1) Substitute for a permanent "employee" on leave; or
 - (2) Meet seasonal or short-term workload conditions.
- o. "Valuable papers and records":
 - (1) Means "business" materials such as inscribed, printed, or written:
 - (a) Documents;
 - (b) Manuscripts; or
 - (c) Records;
 - including abstracts, books, deeds, drawings, films, maps, or mortgages;
 - (2) Does not mean:
 - (a) Money or securities;
 - (b) Converted data meaning information that is stored on electronic media that is capable of being communicated, processed or interpreted by electronic data processing equipment; or
 - (c) Programs or instructions used in your data processing operations, including the materials on which the data is recorded.
- p. "Your product":
 - (1) Means:
 - (a) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (i) You;
 - (ii) Others trading under your name; or
 - (iii) A person or organization whose business or assets you have acquired; or
 - (b) Containers (other than "motor vehicles"), materials, parts or equipment furnished in connection with such goods or products; and
 - (2) Includes:
 - (a) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; or
 - (b) The providing of, or failure to provide, warnings or instructions; but

- (3) Does not include:
 - (a) Vending machines; or
 - (b) Other property rented to or located for the use of others but not sold.
- q. "Your work":
 - (1) Means:
 - (a) Work or operations performed by you or on your behalf; or
 - (b) Materials, parts or equipment furnished in connection with such work or operations; and
 - (2) Includes:
 - (a) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (b) The providing of or failure to provide warnings or instructions.

SECTION I – PROPERTY COVERAGES

B. Coverage B – Other Structures

Coverage **B** does not apply to an other structure described in the Schedule of this endorsement.

We cover an other structure:

- 1. Used for "business"; and
- 2. Described in the Schedule of this endorsement; for direct physical loss by a Peril Insured Against. Our Limit of Liability will not be more than the Limit of Liability that applies to the other structure, as shown in the Schedule.

(Coverage **B** – Other Structures does not apply to Forms **HO 00 04** or **HO 00 06**.)

C. Coverage C – Personal Property

(This is Paragraph **B**. in Forms **HO 00 04** and **HO 00 06**.)

1. Covered Property

The following "business" personal property is also covered under Coverage **C**:

- a. Property of others that is in your care; and
- b. Leased personal property for which you have a contractual responsibility to insure.

3. Special Limits Of Liability

Under **3. Special Limits of Liability**:

- a. Category **a.** is deleted and replaced by the following:
 - a. \$1,000 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.

- b. The last paragraph in Category b. is deleted and replaced by the following:

This limit does not apply to the cost to research, replace or restore the information from lost or damaged material pertaining to your "business". Refer to Section I Additional Coverage **E.13.b.(1)** below for the limit that applies.

- h. Category h. is deleted with respect to property pertaining to your "business".

(This is Category e. in Form **HO 00 08**.)

- i. Category i. is deleted and replaced by the following:

- i. \$5,000 on property other than money, scrip, stored value cards, smart cards and securities, away from the "residence premises", used primarily for purposes related to your "business". However, this limit does not apply to loss to adaptable electronic apparatus as described in Categories j. and k.

(Categories i., j., and k. are Categories f., g. and h. in Form **HO 00 08**.)

4. Property Not Covered

Under **4. Property Not Covered**, the following is added:

- i. Contraband, or property in the course of illegal transportation or trade.

E. Additional Coverages

(This is Paragraph C. in Form **HO 00 04** and Paragraph D. in Form **HO 00 06**.)

3. Trees, Shrubs And Other Plants

The preclusion of coverage for property grown for commercial purposes does not apply to trees, shrubs, plants or lawns grown for purposes of your "business".

6. Credit Card, Electric Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

The preclusion of coverage for loss arising out of commercial use does not apply. In addition, the limit of \$500 is increased to \$1,000 for the coverage provided under this endorsement.

13. The following Additional Coverages are added:

a. Accounts Receivable

We will pay for:

- (1) Amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss; and

- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from direct physical loss by a Peril Insured Against to your records of accounts receivable. For accounts receivable that are on the "residence premises", the most will pay is \$5,000.

For accounts receivable away from the "residence premises", the most we will pay is \$2,500.

This coverage is additional insurance.

b. "Valuable Papers And Records"

- (1) We will pay, up to \$2,500, for direct physical loss to "valuable papers and records" that you own, or that are in your care, caused by or resulting from a Peril Insured Against. This coverage includes the cost to research lost information on "valuable papers and records" for which duplicates do not exist.

- (2) This coverage does not apply to:

- (a) Property held as samples or for delivery after sale; or
- (b) Property in storage away from the "residence premises".

This coverage is additional insurance.

c. "Business Income"

- (1) 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 physical loss to property at the "residence premises". The loss must be caused by or result from a Peril Insured Against. With respect to loss to "business" personal property in the open or "business" personal property in a "motor vehicle", the "residence premises" includes the area within 100 feet of the site at which the "residence premises" is located.

(2) We will only pay for loss of "business income" that:

- (a) You sustain during the "period of restoration"; and
- (b) Occurs within 12 consecutive months after the date of direct physical loss.

We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss.

(3) Ordinary payroll expenses mean payroll expenses for all your "employees" except:

- (a) Officers;
- (b) Executives;
- (c) Managers; and
- (d) "Employees" under contract.

(4) Ordinary payroll expenses include:

- (a) Payroll;
- (b) "Employee" benefits, if directly related to payroll;
- (c) FICA payments you pay;
- (d) Union dues you pay; and
- (e) Workers' compensation premiums.

This coverage is additional insurance. No deductible applies to this coverage.

d. Extended "Business Income"

(1) 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 property, except finished stock, is actually repaired, rebuilt or replaced and "operations" are resumed; and

(b) Ends on the earlier of:

- (i) 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 physical loss had occurred; or

- (ii) 30 consecutive days after the date determined in (1)(a) above.

(2) Loss of "business income" must be caused by direct physical loss at the "residence premises" caused by or resulting from a Peril Insured Against.

(3) 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 Peril Insured Against in the area where the "residence premises" is located.

This coverage is additional insurance. No deductible applies to this coverage.

e. Extra Expense

We will pay necessary "extra expense" you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss to property at the "residence premises". The loss must be caused by or result from a Peril Insured Against. With respect to loss to "business" personal property in the open or "business" personal property in a "motor vehicle", the "residence premises" includes the area within 100 feet of the site at which the "residence premises" is located.

We will only pay for "extra expense" that occurs within 12 consecutive months after the date of direct physical loss.

This coverage is additional insurance. No deductible applies to this coverage.

f. Civil Authority Prohibits Use

We will pay for the actual loss of "business income" you sustain and necessary "extra expense" caused by action of a civil authority that prohibits access to the "residence premises" due to direct physical loss of or damage to property, other than at the "residence premises", caused by or resulting from a Peril Insured Against.

The coverage for "business income" will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for necessary "extra expense" will begin immediately after the time of that action and ends:

- (1) Three consecutive weeks after the time of that action; or
- (2) When your "business income" coverage ends;

whichever is later.

This coverage is additional insurance. No deductible applies to this coverage.

SECTION I – EXCLUSIONS

10. The following exclusions are added. This is Exclusion **A.10.** in Forms **HO 00 03** and **HO 00 05**:

a. Dishonesty

We will not pay for loss caused by or resulting from dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, "employees", directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; and
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your "employees"; but theft by "employees" is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

b. False Pretense

We will not pay for loss caused by or resulting from voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

c. "Business Income" And "Extra Expense"

We will not pay for:

- (1) Any "extra expense", or increase of "business income" loss, caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) 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"; or
- (2) Any other consequential loss.

d. Accounts Receivable And "Valuable Papers And Records"

The following exclusions apply to Section I Additional Coverages **E.13.a.** Accounts Receivable and/or **E.13.b.** "Valuable Papers And Records" in the following manner:

- (1) With respect to both Accounts Receivable and "Valuable Papers and Records":

- (a) The following are the only Section I – Exclusions of the policy to which this endorsement is attached that apply to these Additional Coverages:

- (i) Neglect;
 - (ii) War;
 - (iii) Nuclear Hazard; and
 - (iv) Intentional Loss.

- (b) All Section I – Exclusions added by this endorsement apply except Exclusion **c.** "Business Income" And "Extra Expense" above; and

- (c) We will not pay for:

- (i) Loss caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (a) Programming errors or faulty machine instructions; or
 - (b) Faulty installation or maintenance of data processing equipment or component parts.

We will, however, pay for direct physical loss caused by lightning; or

- (ii) Loss to contraband, or property in the course of illegal transportation or trade.

- (2) With respect to "Valuable Papers and Records" only:

We will not pay for loss caused by or resulting from any of the following:

- (a) Errors or omissions in processing or copying. But we will pay for direct physical loss caused by resulting fire or explosion; or
 - (b) Wear and tear, deterioration or latent defect.

(3) With respect to Accounts Receivable only:

We will not pay for:

- (a)** Loss caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding;

- (b)** Loss caused by or resulting from book-keeping, accounting or billing errors or omissions; or

- (c)** Any loss that requires any audit of records or any inventory computation to prove its factual existence.

SECTION I – CONDITIONS

I. Loss Payment

Under Condition **I. Loss Payment**, the following are added:

1. Property Of Others

We will determine the value of property of others that is in your care at actual cash value, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others.

2. "Valuable Papers And Records"

We will determine the value of "valuable papers and records", including those which exist on electronic or magnetic media (other than pre-packaged software programs), at the cost of:

- a.** Blank materials for reproducing the records; and
b. Labor to transcribe or copy the records.

This condition does not apply to "valuable papers and records" that are actually replaced or restored.

3. Accounts Receivable

- a.** If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the amount will be determined as follows:

- (1)** Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and

- (2)** Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.

- b.** The following will be deducted from the total amount of accounts receivable, however that amount is established:

- (1)** The amount of the accounts for which there is no loss;

- (2)** The amount of the accounts that you are able to re-establish or collect;

- (3)** An amount to allow for probable bad debts that you are normally unable to collect; and

- (4)** All unearned interest and service charges.

- L. No Benefit To Bailee** is deleted and replaced by the following:

L. No Benefit To Bailee

No person or organization, other than you, having custody of covered property will benefit from this insurance.

- P. Policy Period** is deleted and replaced by the following:

P. Policy Period And "Coverage Territory"

This endorsement applies only to loss which occurs during the policy period within the applicable "coverage territory".

- S.** The following Conditions are added:

(This is Paragraph **R.** in Form **HO 00 04.**)

1. "Coverage Territory"

For the coverage provided under this endorsement, we cover loss commencing within the "coverage territory" or, with respect to "business" property in transit, while it is between points in the "coverage territory".

2. Resumption Of Operations

We will reduce the amount of your:

- a.** "Business income" loss, other than "extra expense", to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the "residence premises"; and

- b.** "Extra expense" loss to the extent you can return "operations" to normal and discontinue such "extra expense".

3. Limitation – Electronic Media And Records

- a. We will not pay for any loss of "business income" caused by direct physical loss of Electronic Media and Records, as described in b. below, after the longer of:
 - (1) 60 consecutive days from the date of direct physical loss; or
 - (2) The period, beginning with the date of direct physical loss, necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the "residence premises" due to loss caused by the same event.

For example, a Peril Insured Against damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the "business income" loss sustained during the period June 1 through September 1. Loss during the period September 2 through October 1 is not covered.

For example, a Peril Insured Against results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the "business income" loss sustained during the period August 1 through September 29 (60 consecutive days). Loss during the period September 30 through October 15 is not covered.

b. Electronic Media And Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

1. With respect to the coverage provided by this endorsement, the following is added to Coverage E:

Coverage E applies to "bodily injury" and "property damage" only if the "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory" and during the policy period.
2. Coverage E is extended to include "personal and advertising injury" caused by an offense arising out of your "business", but only if the offense was committed in the "coverage territory" during the policy period.

B. Coverage F – Medical Payments To Others

Coverage F is extended to apply to "bodily injury" caused by an accident because of your "business" activities, but only if the accident takes place in the "coverage territory" during the policy period.

SECTION II – EXCLUSIONS

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

2. Exclusion E.2. "Business" is deleted and replaced by the following:

2. "Business"

- a. "Bodily injury", "personal and advertising injury" and "property damage" arising out of or in connection with a trade, profession or occupation or any other activity engaged in for money or other compensation by an "insured".

This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of such trade, profession, occupation or activity.

- b. This exclusion does not apply to:

- (1) The necessary or incidental use of the "residence premises" to conduct your "business";
- (2) "Your product"; or
- (3) "Your work".

3. Exclusion E.3. Professional Services is deleted and replaced by the following:

3. Professional Services

"Bodily injury" and "property damage" arising out of the rendering of or failure to render professional services. This includes but is not limited to:

- a. Legal, insurance, accounting or advertising services;
- b. Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- c. Supervisory, inspection or engineering services;
- d. Medical, surgical, dental, x-ray or nursing services, treatment, advice or instruction;
- e. Any health or therapeutic service, treatment, advice or instruction;

- f. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- g. Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- h. Body piercing services; and
- i. Services in the practice of pharmacy.

F. Coverage E – Personal Liability

The following exclusions are added:

7. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- a. A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- b. A delay or failure by you or anyone else acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

8. Damage To Particular Property

"Property damage" to:

- a. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- b. That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
- c. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph a. of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraph c. of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

9. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

10. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a sub-contractor.

11. Employer's Liability

a. "Bodily injury" to:

- (1) An "employee" of an "insured" arising out of and in the course of:
 - (a) Employment by an "insured"; or
 - (b) Performing duties related to the conduct of an "insured's" "business"; or
- (2) The spouse, child, parent or sibling of that "employee" as a consequence of a.(1) above.

b. This exclusion applies:

- (1) Whether an "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

12. Personal And Advertising Injury

"Personal and advertising injury":

- a. Caused by or at the direction of an "insured" with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- b. Arising out of oral or written publication of material, if done by or at the direction of an "insured" with knowledge of its falsity;
- c. Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- d. Arising out of a criminal act committed by or at the direction of an "insured";
- e. For which an "insured" has assumed liability under a contract or agreement. This exclusion does not apply to liability for damages that an "insured" would have in the absence of the contract or agreement;

- f. Arising out of breach of contract, except an implied contract to use an other's advertising idea in your "advertisement";
- g. Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- h. Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- i. Committed by an "insured" whose "business" is advertising, broadcasting, publishing or telecasting. However, this exclusion does not apply to Paragraphs j.(1), (2) and (3) of "personal and advertising injury" under 12. Additional Definitions; or
- j. Resulting in "bodily injury".

13. Pollution

- a. "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any "insured";
 - (2) At or from any premises, site or location which is or was at any time used by or for any "insured" or others for the handling, storage, disposal, processing or treatment of waste;
 - (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any "insured" or any person or organization for whom you may be legally responsible; or
 - (4) At or from any premises, site or location on which any "insured" or any contractors or subcontractors working directly or indirectly on any "insured's" behalf are performing operations:
 - (a) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such "insured", contractor or subcontractor; or

- (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

Paragraphs a.(1) and (4)(a) above do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- b. Any loss, cost or expense arising out of any:
 - (1) Request, demand or order that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

14. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. "Your product";
- b. "Your work"; or
- c. "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

15. Employment-Related Practices

- a. "Bodily injury" or "personal and advertising injury" to:
 - (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
 - (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal injury" to that person at whom any of the employment-related practices described in **a.(1)** above is directed.
- b. This exclusion applies:
 - (1) Whether an "insured" may be liable as an employer or in any other capacity; and
 - (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

G. Coverage F – Medical Payments To Others

The following exclusions are added:

We will not pay expenses for "bodily injury":

1. To an "insured";
2. To a person hired to do work for or on behalf of an "insured" or a tenant of an "insured";
3. To a person injured while taking part in athletics;
4. Included within the "products-completed operations hazard"; or
5. Excluded under the Coverage **E** – Personal Liability exclusions of this endorsement.

SECTION II – ADDITIONAL COVERAGES

C. Damage To Property Of Others

With respect to the coverage provided by this endorsement:

1. Under Paragraph **1.** in the Homeowners Forms, the Limit of Liability is revised to \$2,500 per "occurrence" but is subject to the aggregate Limit of Liability shown in **A.2.** in the Schedule above under Section **II** – Liability; and

2. Paragraph **2.e.(1)** in the Homeowners Form does not apply to your "business".

3. The following paragraph is added:

3. This coverage is subject to all the Coverage **E** exclusions in this endorsement that apply to "property damage".

SECTION II – CONDITIONS

With respect to the coverage provided by this endorsement, Conditions **A. Limit Of Liability**, **B. Severability Of Insurance** and **I. Policy Period** are deleted and replaced by the following:

A. Limit Of Liability

1. Aggregate Limits

a. Products-Completed Operations Hazards Liability

Our total Limit of Liability in an annual policy period for the sum of damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" under Coverage **E** will not be more than the Annual Aggregate Limit of Liability for the "products-completed operations hazard" shown in **A.1.** in the Schedule above under Section **II** – Liability. This is the most we will pay regardless of the number of "occurrences", "insureds", claims made, "suits" brought, or persons injured.

b. All Other "Business" Liability

Our total limit of liability in an annual policy period for the sum of:

- (1) Damages under Coverage **E**, not including "bodily injury" and "property damage" included in the "products-completed operations hazard"; and
- (2) Medical expense payable under Coverage **F**;

will not be more than the Annual Aggregate Limit of Liability for all other "business" liability shown in **A.2.** in the Schedule above under Section **II** – Liability. This is the most we will pay regardless of the number of "occurrences", accidents, offenses, "insureds", claims made, "suits" brought, or persons injured.

2. Sub-Limit Of Liability

Subject to the annual aggregate limit of liability described in **A.1.b.** above, our total Limit of Liability under Coverage **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Sub-Limit of Liability for Coverage **F** shown in **B.** in the Schedule above under Section **II** – Liability. This Sub-Limit of Liability does not increase the Annual Aggregate Limit of Liability.

The limits described in **A.1.** and **2.** above. apply regardless of any provision to the contrary contained in this endorsement, including the policy Declarations.

B. Severability Of Insurance

The coverage provided by this endorsement applies separately to each "insured" except with respect to the Limit of Liability. Therefore, this condition will not increase the Annual Aggregate Limits of Liability regardless of the number of "insureds".

I. Policy Period And "Coverage Territory"

This endorsement applies only to "bodily injury", "personal and advertising injury", and "property damage" which occurs during the policy period within the applicable "coverage territory".

SECTIONS I AND II – CONDITIONS

The following condition is added:

H. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this coverage at any time during the policy period and up to three years afterward.