

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL COVERAGE - ELECTRONIC DATA PROCESSING EQUIPMENT COVERAGE

This endorsement modifies insurance provided under the following:
DIFFERENCE IN CONDITIONS COVERAGE FORM UND 1211

A. COVERAGE

Subject to the terms, exclusions, limits and conditions of the policy to which this endorsement is attached and to the provisions contained in this endorsement, we will pay for accidental direct physical loss or damage to Covered Property at the locations described in the Declarations caused by or resulting from a Covered Cause of Loss first commencing during the Policy Period.

1. Covered Property

Electronic Data Processing Equipment meaning tangible hardware including computers, servers, networks, mainframes, electronic accounting machines, drives, blades, and any storage device (excluding the "electronic data" stored thereon), owned by you, leased to or rented to you at the locations described in the Declarations.

2. Additional Coverages

Electronic Data Processing Extra Expense

- (1) This additional coverage **a. Electronic Data Processing Extra Expense** only applies if either **BUSINESS INCOME (AND EXTRA EXPENSE) UND 1206** or **EXTRA EXPENSE UND 1216** is attached to and made part of this policy.
- (2) We will pay the actual and necessary Extra Expense you sustain due to accidental direct physical loss of or damage to Covered Property described in **A.1.a.** above, insured under this endorsement at the locations described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.
- (3) Extra Expense means the following necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to Covered Property described in **A.1.a.** above, insured under this endorsement caused by or resulting from a Covered Cause of Loss. Coverage pertains to expenses (other than the expense to repair or replace property, or to replace, restore or reproduce "electronic data"), which are incurred to:
 - (a) Avoid or minimize the "suspension" of business and to continue your "operations" at your scheduled location or at replacement location or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location;
 - (b) Minimize the "suspension" of your business if you cannot continue "operations";We will also pay Extra Expense to repair or replace Covered Property described in **A.1.a.** above, insured under this endorsement, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.
- (4) The amount of Extra Expense will be determined based on:

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All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

- (i) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
- (ii) Any Extra Expense that is covered by other insurance; and
- (iii) Necessary expenses that reduce the Extra Expense otherwise incurred.

We will reduce the amount of your Extra Expense loss to the extent you can return operations to normal and discontinue such Extra Expense.

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.

Payments made for coverage provided under this additional coverage electronic data processing extra expense are within the Limits of Insurance described in Section C. below and will not serve to increase our Limits of Insurance.

B. PROPERTY EXCLUDED

The following property is excluded in addition to the property excluded described in Section C. **PROPERTY EXCLUDED** of the **DIFFERENCE IN CONDITIONS COVERAGE FORM**. We will not pay for loss or damage to the following property:

1. "Electronic data";
2. Accounts, bills, deeds, evidences of debt, valuable papers, records, abstracts, manuscripts or other documents;
3. Any "media";
4. Property which is held for sale;
5. Property leased or rented to others while away from the locations described in the Declarations;

C. CAUSES OF LOSS EXCLUDED

The following exclusions apply in addition to those described in Section D. **CAUSES OF LOSS EXCLUDED** in the **DIFFERENCE IN CONDITIONS COVERAGE FORM**. We will not pay for loss, damage, cost or expense directly or indirectly caused by or resulting from any of the following excluded causes of loss:

1. Any quality in the Electronic Data Processing Equipment that causes it to damage or destroy itself;
2. Mechanical breakdown or failure of the Electronic Data Processing Equipment, including faulty construction or changes in the arrangement of machine parts;
3. Faulty materials and workmanship in the development, manufacture or installation of the Electronic Data Processing Equipment;
4. Programming errors or incorrect instructions to Electronic Data Processing Equipment;
5. Actual work upon the Electronic Data Processing Equipment, including repairing, adjusting, servicing or maintenance operation;

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6. A virus, harmful code or similar instruction introduced into or enacted on a computer system or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation; or
7. Date and/or time changes.

D. LIMIT OF INSURANCE AND STATED VALUES

With respect to all coverage provided under this endorsement, the most we will pay for loss in any one "loss occurrence" is the applicable limit of insurance as described in **A.2. LIMITS OF INSURANCE** in the Declarations. If there are no stated values shown for Electronic Data Processing Equipment, the most we will pay for loss in any one "loss occurrence" for coverage provided under this endorsement is \$15,000. Payments made for coverage provided by this endorsement are within the Limits of Insurance and will not serve to increase our Limits of Insurance shown in the Declarations.

E. LOSS CONDITIONS

1. With respect only to the coverage added by this endorsement, paragraph **G.14 Valuation of LOSS CONDITIONS** in the **DIFFERENCE IN CONDITIONS COVERAGE FORM** is replaced by the following:
 - a. The value of Electronic Data Processing Equipment will be the lesser of:
 - (1) The actual cost of reasonable repair or replacement with equipment of like kind, quality and function; or
 - (2) Actual cash value as of the date of loss, if not replaced as soon as reasonably possible after the loss or damage.

In the event of partial damage to an item of Electronic Data Processing Equipment, we will not pay more than the cost of reasonably restoring the property to its condition immediately prior to the loss.

F. DEFINITIONS

1. "Electronic data" meaning information, records, files, facts, and all software including operating systems, computer programs, procedures, applications, and source material, stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment owned by you, leased to or rented to you at the locations described in the Declarations and is used in your data processing operations. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph does not apply to your "stock" of prepackaged software.
2. "Media" means electronic data processing, recording or storage media, such as magnetic tapes, discs, cards, films or CD-ROMs.
3. "Operations" means your business activities occurring at the locations described in the Declarations where the loss occurred.
4. "Period of Restoration" means the period of time that:

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- a. Begins immediately after the time of direct physical loss or damage caused by or resulting from an "earthquake" or flood, if flood coverage is endorsed onto this policy, at the locations described in the Declarations; and
- b. Ends on the earlier of:
 - (1) The date when the Covered Property insured under this endorsement at the locations described in the Declarations should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

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

- c. Regulates the construction, use or repair, or requires the tearing down, of any property; or
- d. 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 expiration date of this policy will not cut short the "period of restoration".

- 5. "Suspension" means the slowdown or cessation of your business activities.

Nothing contained in this endorsement will be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which this endorsement is attached other than as stated above.

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