THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MULTINATIONAL CHOICE - PROPERTY SPECIALIZED PROPERTY INSURANCE COVERAGES

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. Words and phrases that appear in quotation marks have special meaning. Refer to Form **MN PC 00 90 MULTINATIONAL CHOICE PROPERTY CONDITIONS AND DEFINITIONS** for definitions.

SECTION A. – ADDITIONAL COVERAGES

The following Additional Coverages are added to the Multinational Choice - Property Coverage Form unless otherwise indicated in the Multinational Choice - Property Schedule of Premises and Coverages or by endorsement to this policy. The limits of insurance applicable to these Additional Coverages, unless otherwise stated, are in addition to the Covered Property Limits of Insurance.

For Insurance that may apply to a Specific Scheduled Premises see: Property Choice Schedule of Premises and Coverage - Scheduled Premises section.

1. ACCOUNTS RECEIVABLE

Coverage: We will pay for direct physical loss or direct physical damage caused by or resulting from a Covered Cause of Loss to your records of Accounts Receivable. Accounts Receivable, means all amounts due from your customers that you are unable to collect; due to a covered direct physical loss or covered direct physical damage to inscribed, printed, written or electronic records of accounts receivable. We will also pay for:

a. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

b. Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and

c. Other reasonable expenses that you incur to re-establish your records of accounts receivable.

Limit of Insurance: Limit of Insurance: The most we will pay for all direct physical loss or direct physical damage to records of Accounts Receivable in any one occurrence is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

2. BRANDS AND LABELS

Coverage: In the event of covered direct physical loss or covered direct physical damage to "Stock", and "Stock" is Covered Property that is branded or labeled, we will take all or part of the damaged "stock" at an agreed or appraised value. This will include:

a. Expenses incurred to:

(1) Stamp salvage on the "Stock" or its containers, if the stamp will not physically damage the merchandise; or

(2) Remove the brands or labels, if doing so will not physically damage the "Stock". You must re-label the "Stock" and its containers to comply with the law.

b. Any reduction in the salvage value of the damaged "Stock" as the result of the removal of the brand or label.

Limit of Insurance: The most we will pay under this Additional Coverage – Brands and Labels in any one occurrence is the limit of insurance applicable to Business Personal Property - "stock" where the direct physical loss or direct physical damage occurred.

3. "BUILDING GLASS" REPAIRS

Coverage: In the event of covered direct physical loss or covered direct physical damage to "Building Glass", we will pay in any one occurrence your expenses to:

a. Install temporary plates or board up openings if repair or replacement of damaged "Building Glass" is delayed.

b. Make necessary repairs or replace the frames immediately encasing the damaged "Building Glass".

Limit of Insurance: This Additional Coverage is included within the Limit of Insurance applicable to Building(s) where the direct physical loss or direct physical damage occurred.

4. **BUSINESS TRAVEL INCLUDING SALES REPRESENTATIVE SAMPLES**

Coverage: If a limit of insurance is shown in the Multinational Choice - Property Schedule of Premises and Coverages for Business Personal Property, then we will pay for direct physical loss or direct physical damage by a covered cause of loss to Business Personal Property including Sales Representative Samples while in the custody of:

a. Your sales representatives; or

b. Any officer, employee or yourself;

while traveling anywhere in the Coverage Territory on authorized company business.

Business Travel Coverage does not include property owned by and for exclusive personal use by you or your officers, partners, employees, residents or students.

Property eligible for Business Travel Coverage is not eligible under any other Coverage in this Coverage Form.

Limit of Insurance: The most we will pay for direct physical loss or direct physical damage to Business Travel Including Sales Representative Samples in any one occurrence the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

5. **CLAIM EXPENSES**

Coverage: You may extend the insurance provided by this Coverage Form to apply to the actual, necessary and reasonable expenses you incur in preparing claim data when we require it. Claim expenses as used in this Additional Coverage means the cost of taking inventories, making appraisals and preparing other documents that we request in writing to you.

Limit of Insurance: The most we will pay in any one occurrence for the preparation of claim data under this Additional Coverage the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

We will not pay for any expenses incurred, directed or billed by and payable to insurance agents, brokers, adjusters or their affiliates or subsidiaries or any costs as provided in or incurred due to the GENERAL CONDITION – Appraisal.

6. **COINSURANCE DEFICIENCY**

Coverage: The insurance provided under this Coverage Part is extended to apply to the loss you sustain due to the application of a coinsurance or average clause under any "local admitted insurance".

Under this Additional Coverage, we will pay the difference between the total amount recovered under the "local admitted insurance" and the total amount of loss which would have been recoverable without the application of such coinsurance or average clause in the "local admitted insurance".

This Additional Coverage applies:

a. Only with respect to loss or damage that would be recoverable under this Coverage Part in the absence of such "local admitted insurance"; and

b. Only if the coinsurance deficiency is due to an inadvertent error, omission, or failure to report and insure proper values under the "local admitted insurance". Any deliberate error, omission, or failure to report and insure proper values will not be covered. You must adjust the reported insurable values and limits of coverage as soon as possible after you discover the inadvertent error, omission, or failure in the reported values.

Limit of Insurance: The most we will pay for loss in any one occurrence under this Additional Coverage is the applicable Limit of Insurance as shown in the Multinational Choice Property Schedule of Premises and Coverages.

7. **CONTRACT PENALTIES**

Coverage: We will pay for written contract penalties you are required to pay due to your failure to provide your product or service which is the direct result of a Covered Cause of Loss during the policy period to "Stock" and "Stock" is Covered Property under this Coverage Part.

Limit of Insurance: The most we will pay for all penalties in any one occurrence resulting from a Covered Cause of Loss is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

8. **DEBRIS REMOVAL**

a. Coverage: We will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage. This Additional Coverage does not apply to:

(1) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;

(2) Remove property of others of a type that would not be Covered Property under this Coverage Form;

(3) Remove deposits of mud or earth from the grounds of the described premises;

(4) Costs to extract "pollutants" from land or water; or

(5) Costs to remove restore or replace polluted land or water.

b. Limit of Insurance:

(1) Payment for Debris Removal is included within the applicable Limit of Insurance shown in the Multinational Choice Property Schedule of Premises and Coverages for the damaged Covered Property. The most we will pay under this Additional Coverage is 25% of the amount that we pay for the direct physical loss of or direct physical damage to Covered Property, plus the deductible in this policy applicable to that loss or damage.

(2) When the debris removal expense exceeds the above 25% limitation or the sum of loss or damage to Covered Property and the expense for removal of the Covered Property debris exceeds the applicable Limit of Insurance for the damaged Covered Property, we will pay an additional amount for debris removal expense of up to the applicable Limit of Insurance as shown in the Multinational Choice Property Schedule of Premises and Coverages in total at all "Scheduled Premises" in any one occurrence.

9. DEVALUATION OF CURRENCY

Coverage: The insurance provided under this Coverage Part is extended to apply to the loss you sustain due to a deficiency in the amount of your recoverable loss under any "local admitted insurance" caused by a devaluation of the foreign currency in which the "local admitted insurance" is written.

This Additional Coverage applies only with respect to loss or damage that would be recoverable under this Coverage Part in the absence of such "local admitted insurance".

Limit of Insurance: The most we will pay for loss in any one occurrence under this Additional Coverage is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

10. ELECTRONIC DATA

Coverage: If a limit of insurance is shown in the Multinational Choice - Property Choice Schedule of Premises and Coverages for Business Personal Property, then we will pay for direct physical loss or direct physical damage caused by or resulting from a Covered Cause of Loss to your "Electronic Data" at a "Scheduled Premises".

Limit of Insurance: The most we will pay for loss in any one occurrence under this Additional Coverage is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

11. EMPLOYEE PERSONAL EFFECTS

Coverage: If a limit of insurance is shown in the Multinational Choice - Property Multinational Schedule of Premises and Coverages for Business Personal Property, then we will pay for direct physical loss or direct physical damage caused by or resulting from a Covered Cause of Loss to your Employee Personal Effects at a "Scheduled Premises". Employee Personal Effects means personal effects owned by you or your officers, partners, employees, members, or managers and used exclusively by the individual owner for their own personal use such as personally owned laptops, Personal Digital Assistants and cell phones. This coverage does not apply at a place of residence.

Limit of Insurance: The most we will pay in total in any one occurrence for all direct physical loss or direct physical damage to all employee personal effects is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

We will not pay more than the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages in total for direct physical loss or direct physical damage to personal effects belonging to any one employee in any one occurrence regardless of the number or types of personal effects lost or damaged.

Coverage for Employee Personal Effects is extended to apply up to 1000 feet outside the "Scheduled Premises" boundary.

12. ERRORS IN DESCRIPTION

Any unintentional error in the description of the occupancy or location address of Covered Property will not impair this insurance, provided you report the error to us as soon as the error becomes known to you.

13. EXHIBITIONS

Coverage: If a limit of insurance is shown in the Multinational Choice - Property Schedule of Premises and Coverages for Business Personal Property, then we will pay for direct physical loss or direct physical damage caused by or resulting from a Covered Cause of Loss to Business Personal Property while on temporary public display, or being used, at fairs, exhibitions, expositions or trade shows or while in transit to and from these temporary sites.

Limit of Insurance: The most we will pay for all direct physical loss or direct physical damage at any one exhibition is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

Property eligible for Exhibitions Coverage is not eligible under any other Coverage of this Coverage Part.

14. EXPEDITING EXPENSES

Coverage: In the event of a Covered Cause of Loss to Covered Property at a "Scheduled Premises" you may extend the insurance provided by this coverage form to apply to the actual, necessary and reasonable:

a. Additional expenses you incur to:

(1) Make temporary repairs of damaged covered property;

(2) Expedite permanent repair or replacement of damaged covered property; or

(3) Provide training on replacement machines or equipment that are covered property.

This includes overtime wages, the extra cost of express or other rapid means of transportation, and expenses to bring computer systems back to operational status.

b. **Limit of Insurance:** The most we will pay in total for all expenses incurred under this Additional Coverage in any one occurrence is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

15. FINE ARTS

Coverage: If a limit of insurance is shown in the Multinational Choice - Property Schedule of Premises and Coverages for Business Personal Property, then we will pay for direct physical loss or direct physical damage caused by or resulting from a Covered Cause of Loss to Fine Arts. Fine Arts mean paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glass, bric-a-brac, and similar property, of rarity, historical value or artistic merit, owned by you or others in your care, custody or control. Fine Arts do not include artwork that is computerized or classified as data.

Limit of Insurance: The most we will pay for direct physical loss or direct physical damage in any one occurrence is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages, regardless of the number or types of Fine Arts damaged. We will not pay more than the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages for any one item of Fine Arts in any one occurrence. A pair or set will be deemed to be one item.

16. FIRE DEPARTMENT SERVICE CHARGE

Coverage: In the event that the fire department responds to save or protect Covered Property from a Covered Cause of Loss, we will pay for your liability for fire department service charges:

a. Assumed by contract or agreement prior to the covered loss event; or

b. Required by local ordinance.

No deductible applies to this Additional Coverage.

Limit of Insurance: The most we will pay for Fire Department Service Charge in any one occurrence is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

Such Limit is the most we will pay regardless of the number of responding fire departments or fire units and regardless of the number or type of services performed.

17. FIRE DEVICE RECHARGE

a. **Coverage**: In the event that a manual or automatic fire extinguishing device is discharged:

(1) To fight a fire;

(2) As the result of Covered Cause of Loss; or

(3) Due to accidental discharge;

we will pay expenses you incur to recharge such equipment.

b. We will not pay for:

(1) Any costs resulting from the enforcement of any ordinance or law that regulates the recharging, repair or replacement of such fire extinguishing device or firefighting, suppressing or controlling substance;

(2) Halon;

(3) The recharge of any device used for demonstration or testing purposes; or

(4) Recharge due to maintenance of any device or system.

c. **Limit of Insurance:** The most we will pay for Fire Device Recharge in any one occurrence is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

18. "FUNGUS", WET ROT, DRY ROT, BACTERIA AND VIRUS - LIMITED COVERAGE

a. The coverage described below only applies when the "fungus", wet or dry rot, bacteria or virus is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

(1) A "specified cause of loss" other than fire or lightning;

(2) Equipment Breakdown Accident occurs to Equipment Breakdown Property, if Equipment Breakdown applies to the affected premises; or

(3) Flood, if the Causes of Loss Flood endorsement applies to the affected premises.

b. We will pay for loss or damage by "fungus", wet rot, dry rot, bacteria and virus. As used in this Limited Coverage, the term loss or damage means:

(1) Direct physical loss or direct physical damage to Covered Property caused by "fungus", wet rot, dry rot, bacteria or virus, including the cost of removal of the "fungus", wet rot, dry rot, bacteria or virus;

(2) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet rot, dry rot, bacteria or virus; and

(3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet rot, dry rot, bacteria or virus are present.

c. The coverage described under this Limited Coverage is limited to the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning), Equipment Breakdown Accident that occurs to Equipment Breakdown Property and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet rot, dry rot, bacteria or virus, we will not pay more than is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages in any one "Policy Year" applicable to "Fungus", Wet Rot, Dry Rot, Bacteria and Virus - Limited Coverage even if the "fungus", wet rot, dry rot, bacteria or virus continues to be present or active, or recurs, in a later policy period.

d. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet rot, dry rot, bacteria or virus, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet rot, dry rot, bacteria or virus, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot, bacteria or virus causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

The terms of this Limited Coverage do not increase or reduce the coverage provided under the Additional Coverage - Water Damage Building Tear Out and Repair of this Form.

19. INSTALLMENT OR DEFERRED SALES

Coverage: If a limit of insurance is shown in the Multinational Choice - Property Schedule of Premises and Coverages for Business Personal Property, coverage is extended to apply to direct physical loss or direct physical damage by a Covered Cause of Loss to your financial interest in Business Personal Property that you have sold under a deferred or installment payment plan during the policy period and after you have made delivery to your customer during the policy period.

Direct physical loss or direct physical damage to such Business Personal Property must be by a Covered Cause of Loss during the policy period. Theft or conversion by your customer or failure of your customer to make payments under the payment plan are not covered causes of loss.

Limit of Insurance: The most we will pay for Installment or Deferred Sales in any one occurrence is the lesser of your remaining financial interest in the Business Personal Property sold under a deferred or installment plan or the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

20. LOSS OF MASTER KEY

Coverage: We will pay for the reasonable and necessary costs you incur to replace keys, adjust locks to accept new keys or if required, install new locks, due to direct physical loss or direct physical damage to a master key or grand master key caused by or resulting from a Covered Cause of Loss.

Limit of Insurance: The most we will pay for Loss of Master Key in any one occurrence is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

21. NEW CONSTRUCTION AT "SCHEDULED PREMISES"

a. **Coverage**: If a limit of insurance is shown in the Property Choice Schedule of Premises and Coverages for Building we will pay for direct physical loss or direct physical damage, including the cost of labor, caused by or resulting from a Covered Cause of Loss to New Construction at "Scheduled Premises". New Construction at "Scheduled Premises" applies to buildings you begin to construct after the inception of this policy and will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you begin to construct the building; or

(3) The building is specifically insured on this Coverage Form or elsewhere.

b. We will charge you additional premium from the date you begin to construct the building.

c. **Limit of Insurance:** The most we will pay for New Construction at "Scheduled Premises" in any one occurrence is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

22. NEWLY ACQUIRED COVERED PROPERTY

a. We will pay for direct physical loss or direct physical damage caused by or resulting from a Covered Cause of Loss to Newly Acquired Property. Newly Acquired Property means buildings or business personal property you acquire, purchase or lease after the inception of this policy, but does not include:

(1) Any property acquired through any foreclosure process;

(2) Any premises of others where you are temporarily working, such as installing property or performing maintenance or service work;

(3) Any property covered by any other part of this Coverage Form; or

(4) Any property that is not covered under this policy.

b. Coverage for Newly Acquired Covered Property will end when any of the following first occurs:

(1) This policy expires;

(2) 90 days expire after you newly acquire the Building;

(3) 90 days expire after you newly acquire the Business Personal Property at newly acquired premises;

(4) 60 days expire after you newly acquire Business Personal Property at "Scheduled Premises";

(5) You report values to us; or

(6) The property is specifically insured on this Coverage Form or elsewhere.

c. We will charge you additional premium from the date you acquire the property.

d. The most we will pay for Newly Acquired Covered Property in any one occurrence is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

23. ORDINANCE OR LAW

Coverage A. - Value of the Undamaged Buildings, Coverage B. - Demolition Costs and **Coverage C. - Increased Cost of Construction Coverages** as described below, apply in the event there is a Covered Cause of Loss to covered Buildings at "Scheduled Premises" and to covered "Tenant Improvements and Betterments" at "Scheduled Premises" that results in the enforcement of an ordinance or law that:

i. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the insured premises;

ii. Requires the demolition of parts of the same building that are not damaged by a Covered Cause of Loss; and

iii. Is in force at the time of a Covered Cause of Loss or the ordinance or law is promulgated or is revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.

Coverage under this Additional Coverage applies only in response to the minimum requirements of the applicable ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this Additional Coverage.

a. **Value of the Undamaged Buildings**

We will pay for the value of the undamaged portion of the building that was required to be demolished by a requirement to comply with a building, zoning or land use ordinance or law. We will do this on the same valuation basis that applies to the entire building. This does not include any increased costs to repair, replace or rebuild the property due to a requirement to comply with any ordinance or law.

b. **Coverage B – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

c. Coverage C – Increased Cost of Construction Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

(1) Repair or reconstruct damaged portions of that building; and/or

(2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

(1) This coverage applies only if the repaired, restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

(2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

d. Ordinance or Law Exclusions:

(1) We will not pay for the enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "Pollutants and Contaminants" or due to the presence, growth, proliferation, spread or any activity of "Fungus", wet rot, dry rot, bacteria or virus.

(2) We will not pay for any costs associated with the enforcement of or compliance with any ordinance or law which requires you 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 and Contaminants" or "Fungus", wet rot, dry rot, bacteria or virus.

(3) We will not pay any loss in value or any costs incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of building damage, if you failed to comply.

(4) We will not pay for the compliance of any ordinance or law unless the repairs or replacement are made as soon as reasonably possible after the loss or damage not to exceed two years. We may extend this period in writing during the two years.

e. Ordinance or Law Limits of Insurance

(1) For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

(2) With respect to the Increased Cost of Construction: If the covered building is subject to the Replacement Cost Valuation provision as shown in the Property Choice - Schedule of Premises and Coverages, and you rebuild the building we will not pay for the increased cost of construction:

(a) Until the building is actually repaired or replaced, at the same or another premises; and

(b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(3) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

(4) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

(5) As respects **Coverage A. - Coverage For Loss To The Undamaged Portion Of The Building**, this is included within the Limit of Insurance applicable to the damaged Building or damaged "Tenant Improvements and Betterments" and applies in any one occurrence.

(6) As respects **Coverage B. - Demolition Costs and Coverage C. - Increased Cost of Construction**:

(a) For Building property, the most we will pay in any one occurrence is $1,000,000. This is an additional amount of insurance.

(b) For "Tenant Improvements and Betterments" property, the most we will pay in any one occurrence as respects this Additional Coverage where "Tenant Improvements and Betterments" applies is 25% of the insured value of "Tenant Improvements and Betterments" up to $500,000. This is an additional amount of insurance.

24. OUTDOOR TREES, SHRUBS, SOD, PLANTS AND LAWNS

a. Outdoor trees, shrubs, sod, plants and lawns, when used for landscaping are covered only for direct physical loss or direct physical damage caused by or resulting from the following causes of loss:

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or civil commotion;

(5) Aircraft; or

(6) Vehicles operated by persons other than you or your employees.

b. The most we will pay for direct physical loss or direct physical damage in any one occurrence under this Additional Coverage is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

c. The Limit of Insurance applicable to these types of property includes their debris removal expense. Such debris removal expenses are not included in the Debris Removal - Additional Coverage.

d. These limits apply in any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

25. PAIRS OR SETS

Coverage: If parts of pairs or sets of covered Business Personal Property - "Stock" are damaged by a Covered Cause of Loss, we will pay the reduction in value of the undamaged parts of such damaged pairs or sets in any one occurrence.

Limit of Insurance: This Additional Coverage is included within the Limit of Insurance applicable to the damaged Business Personal Property - "Stock".

26. "POLLUTANTS AND CONTAMINANTS" CLEAN UP

a. **Coverage**: We will pay for your expense to extract "Pollutants and Contaminants" from land or water at a "Scheduled Premises", if the discharge, dispersal, seepage, migration, release or escape of the "Pollutants and Contaminants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

b. This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "Pollutants and Contaminants". But we will pay for testing which is performed in the course of extracting the "Pollutants and Contaminants" from land or water.

c. **Limit of Insurance:** The most we will pay under this Additional Coverage at each "Scheduled Premises" is the applicable Limit of Insurance as shown in the Multinational Choice Property - Schedule of Premises and Coverages for all covered expenses arising out of Covered Causes of Loss occurring during each "Policy Year".

27. PRESERVATION OF PROPERTY

a. **Coverage**: If it is necessary to move Covered Property to preserve it from imminent loss or damage by Flood or a Covered Cause of Loss, we will pay in any one occurrence for any direct physical loss or direct physical damage to that property while being moved to or while at the temporary storage location.

b. This Additional Coverage will end 180 days after the property is first moved.

c. **Limit of Insurance:** This Coverage is included within the Limit of Insurance applicable to the Covered Property that is moved.

28. REWARD COVERAGE

a. **Coverage**: We will reimburse you for rewards you have paid leading to:

(1) The successful return of substantially undamaged stolen articles to a law enforcement agency; or

(2) The arrest and conviction of any persons for having damaged or stolen any of your covered property.

b. **Limit of Insurance:** We will pay 25% of the covered loss (prior to the application of any applicable deductible and recovery of any stolen articles) is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages in any one occurrence for the payments of rewards you make. These reward payments must be documented. No deductible applies to this Additional Coverage.

29. SEWER AND DRAIN BACKUP

Coverage: This insurance is extended to apply to direct physical loss or direct physical damage to Covered Property at "Scheduled Premises", Newly Acquired Premises and Unnamed Premises caused by or resulting from water or other materials that backs up from a sewer or drain.

Limit of Insurance: The most we will pay in any one occurrence is the Limit of Insurance applicable to the Covered Property where the direct physical loss or direct physical damage occurred.

THIS IS NOT FLOOD INSURANCE.

This Additional Coverage does not apply to loss or damage caused by or resulting from Flood regardless of the proximity of the back-up or overflow to such conditions. Flood as used in this Additional Coverage means:

a. Surface water, waves, tidal water, tidal waves, tsunamis, or overflow of any natural or manmade body of water from its boundaries, all whether driven by wind or not; or

b. Mudslide or mudflow, meaning a river or flow of liquid mud directly or indirectly caused by flooding or the accumulation of water under the ground.

c. Water under the ground surface pressing on, or flowing or seeping through:

- **(1)** Foundations, walls, floors or paved surfaces;
- **(2)** Basements, whether paved or not; or
- **(3)** Doors, windows or other openings.

d. Flood includes water or other material that backs up or overflows from any sewer or septic tank or drain, if such back-up is caused by any of the conditions in **a.** or **c.** above regardless of the proximity of the back-up to such conditions.

e. All flooding in a continuous or protracted event will constitute a single flood.

30. TAX LIABILITY

Coverage: In the event that covered loss or damage under this Coverage Part cannot be paid in the country in which the loss or damage occurred, the insurance provided under this Coverage Part is extended to apply to the additional amount of Tax Liability you incur. The additional amount of Tax Liability will be calculated as follows:

Loss payment due under this Additional Coverage is:

((C - A) / B) - C, where:

A = Local tax benefit received where the loss occurred.

B = 1.00 minus the effective tax rate in the country where the loss payments are to be received. The effective tax rate shall be the corporate tax rate in effect for the fiscal year when the loss occurred.

C = The actual loss otherwise payable under this Coverage Part, except for the operation of this Additional Coverage.

If the effective local tax rate where the loss occurred is equal to or greater than the effective tax rate in the country where the loss payments are to be received, then this Additional Coverage will not apply.

We will not make any payment under this Additional Coverage if there is no increase in your worldwide tax liability.

Limit of Insurance: The most we will pay for loss in any one occurrence under this Additional Coverage is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

31. TENANTS', NEIGHBORS' AND LANDLORDS' LIABILITY

Coverage: The insurance provided under this Coverage Form is extended to apply to direct physical loss or damage caused by or resulting from a Covered Cause of Loss to:

a. Property that you lease or rent for which you are legally responsible as a tenant under civil law or by commercial code;

b. Adjacent property of neighbors for which you are legally responsible under civil law or by commercial code; and

c. Property of your tenants for which you are legally responsible under civil law or by commercial code.

Limit of Insurance: The most we will pay for loss or damage in any one occurrence under this Additional Coverage is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

32. TRANSIT

a. **Coverage**: If a limit of insurance is shown in the Property Choice Schedule of Premises and Coverages for Business Personal Property, then we will pay for direct physical loss or direct physical damage by a Covered Cause of Loss to the following Covered Property while in the due course of transit:

- **(1)** Your Business Personal Property; and
- **(2)** Business Personal Property owned by others.

b. Exclusions **B.1.d. Earth Movement** and **B.1.e. Water** as found in the Multinational Choice – Covered Causes of Loss and Exclusions Form do not apply to this Additional Coverage - TRANSIT.

For the Transit Additional Coverage, the Coverage Territory includes:

Waterborne shipments only if on inland waterways or in territorial waters, within 12 miles of land.

c. We will not pay for loss or damage to covered property:

- **(1)** Where you are responsible for loss or damage to property as a carrier for hire; or

(2) Where you are in the business of arranging transportation or consolidations for others.

d. You must retain accurate records of all shipments of Covered Property for one year.

e. Transit Coverage Extensions

(1) F.O.B. Shipments

We will pay for your interest in covered direct physical loss or covered direct physical damage to outgoing shipments, which you have sold under conditions where the risk of loss or damage is transferred to the buyer when such property leaves your "Scheduled Premises" if you cannot collect payment for the loss or damage from the consignee.

(2) Repack and Reship

We will pay the necessary additional expenses you incur to inspect, repackage and reship property damaged by a Covered Cause of Loss.

(3) General Average and Salvage Charges

In accordance with applicable law and usage, we will pay General Average and Salvage Charges that may be assessed against your covered shipments that are waterborne.

(4) Loading and Unloading

We will also pay for covered direct physical loss or covered direct physical damage to Covered Property during loading and unloading of the transporting conveyance.

(5) Return Shipments

We will also pay for covered direct physical loss or covered direct physical damage to outgoing shipments that have been rejected by the consignee or are not deliverable, while being returned to you.

f. Limit of Insurance: The most we will pay for loss in any one occurrence under this Additional Coverage is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

33. TRANSITION TO REPLACEMENT PREMISES

If Covered Business Personal Property is moved to new premises from a "Scheduled Premises" being vacated, the Limit of Insurance applicable to that vacated premises will apply proportionately to both premises as the property is moved. This coverage ends when any one of the following first occurs:

a. 90 days after the move begins;

b. the move is completed; or

c. this policy expires.

34. UNNAMED PREMISES

a. Coverage: You may extend the insurance that applies to Building (if Building is Covered Property) and to Business Personal Property (if Business Personal Property is Covered Property) to pay for direct physical loss or direct physical damage by a Covered Cause of Loss to Buildings and Business Personal Property while at:

(1) Premises that you own, lease, or occupy other than at a "Scheduled Premises";

(2) Premises not described in the Property Choice Schedule of Premises and Coverages, which you do not own, lease or occupy;

(3) Premises where you are temporarily performing work or installing Business Personal Property.

(4) Coverage as respects you installing Business Personal Property continues until one of the following first occurs:

(a) the installation is accepted by the customer;

(b) this policy expires; or

(c) the installation is specifically insured on this policy or elsewhere.

(5) Unnamed Premises does not include any:

(a) Premises or property insured under any other Coverage or Additional Coverage of this Coverage Form;

(b) Waste disposal or transfer sites;

(c) Property while in the due course of transit;

(d) Intermediate site while in the due course of transit;

(e) Premises of a Web Site or Communication Services provider; or

(f) Premises or property that is not covered or excluded from coverage under this Coverage Part.

b. Limits of Insurance:

(1) The most we will pay as respects Building in any one occurrence in total at all Unnamed Premises is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages. This is an additional limit of insurance.

(2) The most we will pay as respects Business Personal Property in any one occurrence in total at all Unnamed Premises is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages. This is an additional limit of insurance.

35. UTILITY SERVICE INTERRUPTION

a. Coverage: We will pay for direct physical loss or direct physical damage to Covered Property at "Scheduled Premises", caused by or resulting from the interruption of the following utility services:

(1) Water Supply Services, meaning the following types of property supplying water to the "Scheduled Premises":

(a) Pumping stations; and

(b) Water mains.

(2) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

(a) Communication transmission lines, including optic fiber transmission lines;

(b) Coaxial cables; and

(c) Microwave radio relays except satellites.

(3) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

(a) Utility generating plants;

(b) Switching stations;

(c) Substations;

(d) Transformers; and

(e) Transmission lines.

b. As used in this Additional Coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

c. The interruption must be caused by or result from direct physical loss or direct physical damage by a Covered Cause of Loss to utility services property outside the insured premises boundaries. We will not pay for any resulting loss or damage due to temperature change or spoilage to business personal property.

d. Limit of Insurance: The most we will pay for all Utility Service Interruption in total in any one occurrence is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

36. WATER DAMAGE BUILDING TEAR OUT AND REPAIR

a. Coverage: When we pay for direct physical loss or direct physical damage caused by the escape of water or other liquid, powder, or molten material, we will also pay the cost to tear out and replace the parts of the building or structure (whether or not such property is damaged) to repair the broken or cracked system or appliance from which such substances escaped.

b. We will not pay the cost to repair any defect to the system or appliance from which such substances escaped. But we will pay the cost to repair or replace damaged parts of Automatic Fire Extinguishing Systems if the damage:

(1) Results in discharge of any substance from an automatic fire protection system; or

(2) Is directly caused by freezing.

c. Limit of Insurance: This Coverage is included within the applicable Covered Property Limit of Insurance.

d. Automatic Fire Extinguishing System means:

(1) Any automatic fire protective or extinguishing system, including connected:

(a) Sprinklers and discharge nozzles;

(b) Ducts, pipes, valves and fittings;

(c) Tanks, their component parts and supports; and

(d) Pumps and private fire protective mains.

(2) Non-automatic fire protective systems, hydrants, standpipes and outlets, all when supplied from an automatic fire protective system.

37. WATER SEEPAGE

a. Coverage: This insurance is extended to apply to direct physical loss or direct physical damage to Covered Property at "Scheduled Premises", Newly Acquired Premises and Unnamed Premises caused by or resulting from water under the ground surface pressing on, or flowing or backing up or seeping through:

(1) Foundations, walls, floors or paved surfaces;

(2) Basements, whether paved or not;

(3) Doors, windows or other openings; or

(4) Septic or sump systems.

b. This Additional Coverage does not apply to loss or damage resulting from sewer or drain back up.

c. THIS IS NOT FLOOD INSURANCE.

This Additional Coverage does not apply to loss or damage caused by or resulting from Flood regardless of the proximity of the ground surface pressing on, or flowing or seeping through to such conditions.

d. Flood as used in this Additional Coverage means:

(1) Surface water, waves, tidal water, tidal waves, tsunamis, or overflow of any natural or manmade body of water from its boundaries, all whether driven by wind or not;

(2) Mudslide or mudflow, meaning a river or flow of liquid mud directly or indirectly caused by flooding or the accumulation of water under the ground; or

(3) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

If such water under the ground surface pressing on, or flowing or seeping through is caused by any of the conditions in **d. (1)** or **d. (2)** above regardless of the proximity of the foundations, walls, floors or paved surfaces; basements, whether paved or not; or doors, windows or other openings to such conditions.

(d) Flood includes water or other material that backs up or overflows from any sewer or septic tank or drain, if such back-up is caused by any of the conditions in **d. (1)** or **d. (2)** above regardless of the proximity of the back-up to such conditions.

(e) All flooding in a continuous or protracted event will constitute a single flood.

e. Limit of Insurance: The most we will pay for Water Seepage in any one occurrence is the applicable Limit of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.

SECTION B. - BUSINESS CRIME

The Multinational Choice - Property Choice Multinational Money and Securities Coverage Form is made a part of this policy and is subject to the stated Limits of Insurance as shown in the Multinational Choice - Property Schedule of Premises and Coverages.