COMPUTER COVERAGE

Refer to Supplemental Declarations if information is not shown on this form.

~~The coverage under this endorsement is subject to the *terms* contained in the General Policy Provisions.~~

~~Policy No.~~AGREEMENT

This form is part of policy no. _____.

We will provide the insurance stated in this form in return for ***your*** payment of the premium due and ***your*** compliance with all of the ***terms*** of this policy.

Named Insured : _____.

~~WHAT WE PAY FOR~~

CAUSES OF LOSS

We ~~cover~~insure the described property against ~~risk of direct physical loss from any external cause not otherwise excluded.~~covered causes of loss. Covered causes of loss means risks of direct physical

~~PLEASE READ *YOUR* ENTIRE POLICY CAREFULLY!~~

loss except as excluded or limited by ***your*** policy.

SCHEDULE

Item	Description	~~Limit~~Amount of Insurance
		~~$~~
Equipment:		$

_____

_____

Media and Extra Expense-The ~~limit~~amount of insurance for Media and Extra Expense shall each be 10% of the applicable ~~limit~~amount for equipment.

SPECIFIC ADDITIONAL COVERAGE-Any specific ~~limit~~amount of insurance for Media or Extra Expense applies in addition to the 10% ~~limit~~amount for Media and Extra Expense.

	~~Limit~~ Amount of Insurance
Media	$ _____.
Extra Expense	$ _____.

DEDUCTIBLE

From each adjusted claim for loss or damage in a single ***occurrence***, ***we*** will deduct $ _____.

LOSS PAYABLE ~~PROVISION:~~PROVISION

We will adjust any loss with ***you***.

We will pay any loss to ***you*** and the payee (named below) as their interest may appear~~:~~.

_____**Name and Address Description of Equipment**

_____

WHAT *WE* COVER

We cover the property described below:

Equipment Coverage-Data processing equipment, including its component parts, owned by ~~the ***insured***~~***you***, leased or rented from others or under ~~the~~***your*** control ~~of the ***insured***~~ and for which ~~the ***insured*** is~~***you*** are legally liable.

Media Coverage-Converted data, programs or instructions used in ~~the ***insured's***~~***your*** data processing operations~~,~~ including the materials on which data is recorded. This coverage applies to ***your*** property ~~of the ***insured***~~ or for that which ~~the ***insured*** is~~***you*** are legally liable.

Extra Expense Coverage-The necessary expenses in excess of normal operating expenses incurred by ~~the ***insured***~~***you*** to continue ~~the ***insured's***~~***your*** customary data processing operations following direct physical loss or damage, not otherwise ~~EXCLUDED~~excluded, to real or personal property.

This coverage applies from the date of loss and ~~ONLY~~only for the period of time reasonably required to restore normal data processing operations.

~~EXTENSION~~

EXTENSIONS OF COVERAGE

NEWLY ACQUIRED COMPUTER:

You may apply up to 50% of the ~~limit~~amount of insurance to newly acquired equipment of similar type.

This extension of coverage ceases:

1. on the date more specific insurance takes effect;
2. 60 days from the date of acquisition of the equipment;
3. on the date the value of such property is reported to ***us***; or
4. on the date this coverage is terminated;

whichever occurs first.

WHAT *WE* DO NOT PAY FOR

We do not pay for:

1. property while leased or rented to others~~:~~;
2. documents and records pertaining to ~~the ***insured's***~~***your*** data processing operations unless they are converted to data form and then ~~ONLY~~only in that form;
3. custom programs;
4. data or media which cannot be replaced with other of like kind or quality; or
5. obsolete or blank media.

EXCLUSIONS

The following ~~EXCLUSIONS~~exclusions apply:

We do not pay for loss or damage:

1. to electrical or magnetic injury, disturbance or erasure of electronic recordings;
2. to electrical equipment, including wiring, caused by or resulting from artificially generated electric current, ~~EXCEPT~~except for ensuing direct loss by fire or explosion;
3. to media caused by error in machine programming or instructions to the machine;
4. to extra expense~~:~~;
   a~~)~~. caused by any local or state ordinance or law regulating the construction, repair or demolition of any property; or
   b~~)~~. caused by or resulting from interference at the location by strikers or anyone else with:
      ~~(i~~1) repairing or replacing the damaged or destroyed property; or
      ~~(ii~~2) the resumption or continuation of the ***insured's*** operations;
5. caused by or resulting from mechanical breakdown or failure ~~EXCEPT~~except for an ensuing direct loss by fire or explosion;
6. caused by or resulting from actual work upon the property; error, omission or deficiency in design, ~~specifications~~specifications, workmanship or materials; all ~~EXCEPT~~except for ensuing direct loss by fire or explosion;
7. caused by rust, corrosion, dampness or dryness of atmosphere or changes in temperature unless resulting directly from physical damage to the data processing system's air conditioning facilities caused by a loss not otherwise ~~EXCLUDED~~excluded;
8. caused by wear and tear, deterioration, depreciation, inherent vice, latent defect, insects or vermin;
9. ~~caused by dishonest acts of the ***insured***, any partner or director of the ***insured*** or agents or employees (whether or not occurring during the hours of employment) of the ***insured*** or by anyone entrusted with the property EXCEPT a carrier~~ caused by any dishonest act on ***your*** part or the part of other parties of interest, the employees or agents of either, or others to whom the property is entrusted, other than carriers for hire;

~~10~~10. caused by delay, loss of market or loss of income; or

11. caused by or resulting from:
   a~~)~~. hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by:
      ~~(i~~1) any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces;
      ~~(ii~~2) military, naval or air forces; or
      ~~(iii~~3) an agent of any such government, power, authority or forces;
   b~~)~~. any weapon of war employing atomic fission or radioactive force whether in time of peace or war; or
   c~~)~~. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an ***occurrence***; seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

HOW MUCH *WE* PAY FOR LOSS OR CLAIM

The following provisions apply in addition to those contained in this policy.

Equipment:

~~a)~~1. **Replacement Cost**-Equipment shall be valued at its replacement cost at the time of loss ~~BUT~~but not exceeding the lesser of the following amounts:

~~(i)~~a.

t

he replacement cost of the property equivalent to the property sustaining the loss and intended for the same use;

~~(ii)~~b.

t

he amount actually and necessarily expended in repairing or replacing the property~~;~~; or

~~(iii)~~c.

t

he ~~limit~~ amount of insurance scheduled in this form.

~~The ***insured***~~***You*** may elect to disregard this provision and make claim on an actual cash value basis. However, further claim for any additional amount on a replacement cost basis may then be made, provided ***we*** are notified of such intention in writing within 180 days after the date of loss.

~~b)~~2. **Media**-The value shall not exceed the actual cost of reproducing such property.