ACCOUNTS RECEIVABLE

Refer to the 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.~~

AGREEMENT

This form is a part of ~~Policy No.~~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 _____.

Causes of Loss

We insure the described property against covered causes of loss. Covered causes of loss means risks of direct physical loss except as excluded or limited by ***your*** policy.

WHAT *WE* PAY FOR

~~1.~~ ***We*** Pay For:

a. All sums due ~~the ***insured***~~***you*** from customers~~, provided the ***insured*** is~~ that ***you*** are unable to collect as the direct result of loss of or damage to records of accounts receivable;
b. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
c. Collection expense in excess of normal collection cost and made necessary because of such loss or damage; or
d. Other expenses~~, when~~ ***you*** reasonably incur~~red by the ***insured***~~ in re~~-~~establishing records of accounts receivable following such loss or damage.

~~2. ***We*** cover the described property against risk of direct physical loss from any external cause, unless specifically excluded.~~

Accounts Receivable ~~Receivable~~	Location	~~Limit~~Amount of Insurance
	Total $	

DEDUCTIBLE

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

WHAT *WE* DO NOT PAY FOR

We Do Not Pay For:

~~(a)~~1. loss due to any fraudulent, dishonest or criminal act by ~~any ***insured***~~***you***, a partner, or an officer, director or trustee, while working or otherwise and whether acting alone or in collusion with others;
~~(b)~~2. loss due to bookkeeping, accounting or billing errors or omissions;
~~(c)~~3. loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation. This shall not prevent the use of such procedures in support of claim for loss which ~~the~~

~~*insured*~~***you*** can prove, through evidence wholly apart from an audit of records or an inventory, is due solely to a risk of loss to records of accounts receivable not otherwise ~~EXCLUDED~~excluded under this policy;

~~(d)~~4 loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property ~~BUT~~but only to the extent of such wrongful giving, taking, obtaining or withholding;

~~(e)~~5. loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, ~~EXCEPT~~except by lightning;

~~(f)~~6. loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to them~~.~~; or

~~(g)~~7. loss caused by or resulting from:

~~(1)~~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~~, (a) ;~~

1) by any government or sovereign power, or by any authority maintaining or using military, naval or air forces; ~~or (b)~~

2) by military, naval or air forces; or ~~(c)~~

3) by an agent of any such government, power, authority or forces;

~~(2)~~b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war; or

~~(3)~~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 apply in addition to other provisions under **How Much *We* Pay For Loss or Claim**.

Recoveries: After payment of loss, all amounts ~~recovered by the ***insured***~~***you*** recover on accounts receivable for which ~~the ***insured*** has been~~ ***we*** have indemnified ***you*** shall belong and be paid to ***us*** ~~by the ***insured*** up to the total amount of loss paid by ***us*; BUT all~~. All recoveries in excess of such amounts shall belong to ~~the ***insured***~~***you***.

Determination of Receivables; Deductions: When there is proof that a loss covered by this endorsement has occurred but ~~the ***insured***~~***you*** cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on ~~the ***insured's***~~ ***your*** monthly statements and shall be computed as follows:

~~(a)~~1. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;

~~(b)~~2. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part of for which ~~the ***insured*** has~~***you*** have furnished monthly statements to ***us***, as compared with such average for the same months of the preceding year;

~~(c)~~3. the amount determined under (~~a~~1) above, increased or decreased by the percentage calculated under (~~b~~2) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;~~ and~~

~~(d)~~4. the amount determined under (~~c~~3) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the ***business*** since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by ~~the ***insured***~~***you***, and an amount to allow for probable bad debts which would normally have been uncollectible by the ***insured***~~. All~~ , all unearned interest and service charges shall be deducted.