| Old Language | New Language | Explanation of Proposed Changes | Impact |
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| **DEDUCTIBLE**<br>From each adjusted loss in a single ***occurrence***, ***we*** will deduct $ _____<br>The deductible amount specified above shall apply separately to each premises above. | ***We*** pay up to the Amount of Insurance less the following deductible: $_____<br><br>**Refrigeration Maintenance Agreement-**The ***insured*** ☐ does or ☐ does not have a refrigeration maintenance agreement or service applicable to the freezer or refrigeration equipment. | 1. Deductible no longer applies separately to each premises. | 1. Broadening |
| **WHAT *WE* PAY FOR**<br>***We*** pay for direct loss or damage from spoilage of the contents of a refrigeration unit owned by ***you*** on the ***insured premises*** and caused by or resulting from:<br>1. Temperature change due to:<br>a. mechanical breakdown of the refrigeration system;<br>b. mechanical breakdown of electric motors operating refrigeration systems on premises;<br>c. mechanical breakdown of the equipment or apparatus connecting or controlling refrigeration systems, electric motors or electrical power;<br>d. interruption of electrical service caused by operation of fuses or circuit breakers on the premises; or<br>e. complete or partial lack of power to operate the refrigeration system, except as shown in item 2 under **Additional Exclusions Which Apply To This Endorsement**, as shown below.<br>2. Contamination by a refrigerant. | **DEFINITIONS**<br><br>The following definitions apply to this policy form:<br>1. ***Refrigeration breakdown*** means a change in temperature or humidity from the failure of a refrigerating unit.<br>2. ***Refrigeration power failure*** means a change in temperature or humidity of a refrigerating unit resulting from partial or complete lack of electrical power, either on or off the ***insured premises*** that is beyond ***your*** control.<br>3. ***Refrigerated property*** means perishable ***stock*** maintained under controlled refrigerated conditions to preserve it and which is susceptible to spoilage if the controlled refrigerated conditions change. | 2. Option added for a rate credit for maintaining a Refrigeration Maintenance Agreement. There is a corresponding section at the end regarding the penalty for maintaining the agreement titled Penalty for Termination of Refrigeration Maintenance Agreements.<br><br>3. Both definitions in the old form were dropped. New definitions created to describe covered losses.<br><br>4. What We Pay For – Rewritten with new defined terms. Old 1.a,b,c became the new 1. The old 1.d,e became the new 3. The old 2. became the new 2. | 2. Clarification<br><br>3. Clarification<br><br>4. Clarification |
| **COVERAGE EXTENSIONS**<br>***We*** agree to pay:<br>1. the reasonable expense ***you*** incur to reduce loss or damage covered by this endorsement to the extent that such loss or damage is reduced. However, the total expense recoverable shall not increase the amount of insurance applicable to the covered property; and<br>2. the reasonable expenses ***you*** incur to clean up and dispose of the spoiled property for which coverage is provided under this endorsement. The total expenses recoverable shall not increase the amount of insurance applicable to the covered property. | **WHAT *WE* PAY FOR**<br><br>***We*** pay up to the Amount of Insurance shown in the Schedule for spoilage to ***your refrigerated property*** contained in a freezer or refrigeration equipment on the ***insured premises***. ***Refrigerated Property*** coverage is provided for the following causes of loss:<br>1. ***Refrigeration breakdown***;<br>2. Contamination caused by or resulting from a refrigerant; and<br>3. ***Refrigeration power failure***. | 5. Coverage Extensions/Additional Coverage – now contains coverage for expenses that are reasonable and necessary to reduce loss or damage covered by endorsement no longer includes clean up expenses which are anticipated to be covered with the loss in the grant of coverage under What We Pay For. | 5. Clarification |
| **ADDITIONAL EXCLUSIONS WHICH APPLY TO THIS ENDORSEMENT**<br>The following additional exclusions apply to the coverage afforded by this endorsement. | **ADDITIONAL COVERAGE**<br><br>This Additional Coverage does not increase the Amount of Insurance available for ***Refrigerated Property*** coverage.<br>1. ***We*** pay for expenses which are reasonable and necessary to reduce loss or damage covered by this endorsement, provided ***you*** keep an accurate record of such expenses. | 6. What We Do Not Pay For – Exclusions 1, 3 and 5 from the old form are eliminated.<br><br>7. What We Do Not Pay For – Old exclusion 6. eliminated because it's already excluded on all Causes of Loss forms.<br><br>8. On new form 1.b. added because | 6. Broadening<br><br>7. Clarification<br><br>8. Clarification |

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| This endorsement does not cover loss or damage to:<br>1. explosion, rupture or bursting of water pipes or steam boilers, steam pipes, steam turbines or steam engines;<br>2. the disruption of electrical service to covered refrigeration units caused by operation of a switch or normal operation of a safety device (other than fuses or circuit breakers) on ***your*** premises;<br>3. the leaking or escape of refrigerant gas or gases from any cause including the rupture or bursting of refrigerant gas pipes or lines;<br>4. the breakage of any glass that is a permanent part of any refrigerating unit;<br>5. insufficient fuel or complete lack of fuel used in the normal operation of a stationary heating system;<br>6. gradual deterioration, inherent vice, natural spoilage or any processing operation; or<br>7. the intentional decision by or the inability of an electric utility company or any other source of electrical power to provide sufficient power due to lack of fuel, government order or lack of generating capacity to meet demand.<br><br>**ADDITIONAL DEFINITIONS**<br>The following additional definitions apply to the coverage afforded by this endorsement:<br>**Change of temperature** as stated in this endorsement covers only direct damage to ***stock*** or merchandise and does not apply to any loss due to interruption of ***business***.<br>**Mechanical Breakdown** is being defined as the actual breaking, parting, or separating of any mechanical part(s) of the refrigeration unit (other than gas pipes or lines, or the breaking of any glass as is specifically excluded) or the "burning out" of any electric motor serving such unit, when such breaking or burning out shall result in the complete stopping of the mechanical action of said refrigeration equipment and which shall then require replacement of damaged part(s) to become functional. Faulty operation or malfunction of equipment which results in temperature change but does not cause the complete stopping of the mechanical action and does not require replacement of broken parts shall not be construed as a "mechanical breakdown" and there shall be no liability under this endorsement | **WHAT *WE* DO NOT PAY FOR**<br><br>1. ***We*** do not pay for:<br>a. Loss or damage to a freezer or refrigeration equipment, including glass that is a permanent part of a freezer or refrigeration equipment; or<br>b. Any claim for consequential loss.<br>2. ***We*** do not pay for loss or damage caused by:<br>a. The breaking of glass;<br>b. The disconnecting of any freezer or refrigeration equipment from the source of power;<br>c. The deactivation of electrical power caused by the manipulation of switching equipment or other devices used to control the flow of electrical power or current;<br>d. The inability of an electrical utility company or other power source to provide sufficient power due to lack of fuel or governmental order; or<br>e. A power source at the ***insured premises*** that fails to provide a sufficient power supply for the demand.<br><br>**PENALTY FOR TERMINATION OF REFRIGERATION MAINTENANCE AGREEMENTS**<br><br>If the ***insured*** terminates without notice to ***us*** any refrigeration maintenance or service agreement shown as applicable in this endorsement or in the Declarations, the loss or damage otherwise payable under this endorsement will be reduced by one half. This penalty does not apply to loss which is a direct result of ***refrigeration power failure***. | this form was never designed to cover consequential losses.<br><br>9. Old exclusion 2 became 2.b,c.<br>Old exclusion 4 became 1a and 2a.<br>Old exclusion 7 became 2d,e. | 9. Clarification |

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| for spoilage resulting from such malfunction. | | | |