

## **Business Interruption Endorsement Extra Expense Endorsement**

### **1. Coverage Provided:**

In consideration of additional premium, this policy is extended to cover at locations described in the declarations:

**A.** The actual loss of Extra Expense sustained by the Insured:

- 1) Resulting from direct physical loss or damage from perils insured by this policy; and
- 2) To insured property utilized by the Insured.

For purposes of this endorsement: **Extra Expense** is defined as:

The excess, if any, of the total cost incurred during the period of interruption:

- a) Chargeable to conduct the Insured's business;
- b) Over and above the total cost that would have been incurred to conduct the business during the same period;

Had direct physical loss or damage insured by this policy not occurred.

### **2. Conditions:**

**A.** This company will give consideration to the:

- 1) Experience of the business before and the probable experience after the period of interruption; and
- 2) Continuation of only those normal charges and expenses that would have existed had no interruption of production, or suspension of business operations or services occurred;

To determine the Extra Expense loss payable.

**B.** The company will not be liable for any loss payable under this endorsement to the extent that it can be reduced by the Insured through use of any suitable property or service:

- 1) Owned or controlled by the Insured; or
- 2) Obtainable from other sources.

Any salvage value of such property remaining at the end of the period of interruption for property obtained above will be taken into consideration in the adjustment of any loss.

### **3. Limit of Liability:**

The company's maximum limit of liability for any loss under this endorsement will not exceed the limit of liability shown in the declarations.

**4. Period of Interruption:**

**A.** For purposes of determining the loss payable under this endorsement, the period of interruption is defined as:

1) The period from the time of direct physical damage insured by this policy;

To the time;

2) When, with due diligence and dispatch, physically damaged property could be:

a) Repaired or replaced; and

b) Made ready for operations under the same or equivalent physical and operating conditions that existed prior to such damage;

Not to be limited by the expiration date of this policy.

**B.** The period of interruption for alterations or additions to existing property and property under the course of construction will be determined from:

1) The period from the time of direct physical damage insured by this policy when operations would have begun if the direct physical loss or damage had not occurred;

To the time:

2) When, with due diligence and dispatch, physically damaged buildings and equipment could be:

a) Repaired or replaced; and

b) Production or business operations would have commenced;

Had no physical damage occurred to such insured property.

**C.** The period of interruption:

1) Will include that period for which physically:

a) Damaged; or

b) Destroyed;

Raw materials would have supplied operating needs.

2) Will not include any additional time resulting from the inability to procure suitable:

a) Raw materials; and

b) Supplies;

To replace those physically damaged or destroyed.

The additional time required for:

(1) Making change(s) to the buildings, or structures, for any reason, except as set forth in the Demolition and Increased Cost of Construction extension contained within the policy to which this endorsement is attached;

- (2) Restaffing or retraining employees;

Is not included within the period of interruption and is not covered.

- D. The period of interruption shall not exceed 12 months from the inception of physical damage caused by or resulting from Terrorism. This limit for Business Interruption coverage shall not be considered additive to any other Business Interruption time limit or to any period of interruption applying to any coverage provided by any Business Interruption endorsements, and shall be subject to the limit of liability for the applicable terrorism coverage.

## 5. Additional Coverages:

### A. Civil Authority:

Coverage is provided when access to the described location is prohibited by order of civil authority. This order must be given as a direct result of physical loss or damage from a peril of the type insured by this policy. The company will be liable for the actual amount of loss sustained at such location for a period of up to 30 consecutive days from the date of this action.

### B. Transmission Facilities:

This policy covers loss resulting from physical loss or damage insured by this policy to:

- 1) Electrical and telecommunication equipment; and
- 2) Electrical, telecommunication, fuel, water, steam, and, refrigeration transmission lines;

All situated on or with in 1000 feet of the described location.

Coverage is excluded for loss resulting from:

- a) The lack of incoming services described above; or
- b) Physical loss or damage to transmission facilities providing these services;

That occurs beyond 1000 feet of the described location.

## 6. Exclusions:

This endorsement, and any extension of coverage to this endorsement, do not cover:

- a. Any loss during any period in which goods would not have been produced.
- b. Any loss during any period in which business operations or services would not have been maintained.
- c. Any increase in loss due to the suspension, cancellation, or lapse of any lease, contract, license, or order.
- d. Any loss due to:
  - 1) Fines or damages for breach of contract.
  - 2) Late or non-compliance of orders or penalties of any nature whatsoever.
  - 3) Any other consequential or remote loss.

- e. Any loss resulting from physical loss or damage to property in transit.
- f. Any loss resulting from physical loss or damage to finished products manufactured by the Insured or the time required for their reproduction.
- g. Any loss resulting from the Actual Cash Value portion of direct physical loss or damage by fire caused by or resulting from Terrorism.

All other terms and conditions of this policy remain unchanged.