

COMMERCIAL PROPERTY COVERAGE PART DEFINITIONS

This COMMERCIAL PROPERTY COVERAGE PART DEFINITIONS form applies to your COMMERCIAL PROPERTY COVERAGE PART and its associated forms and endorsements. Words and phrases that appear in quotation marks have the meaning set forth below.

- A.** "Accounts receivable" means:
1. All amounts due from your customers that you are unable to collect;
 2. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 3. Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
 4. Other reasonable expenses that you incur to re-establish your records of "accounts receivable" that result from direct physical loss or damage caused by or resulting from any Covered Cause of Loss to your records of "accounts receivable".
- "Accounts receivable" does not include "electronic data".
- B.** "Automated-teller machine" means an automated mechanical device which, on behalf of you, disburses cash, accepts deposits, cashes checks, drafts or similar written instruments or makes credit card loans. "Automated-teller machine" does not include any machine that disburses or accepts deposits of virtual currency of any kind, by whatever name known, whether actual or fictitious, including digital currency, crypto currency or any other type of electronic currency. Additionally, "automated-teller machine" does not include "electronic data", "money" or virtual currency of any kind, by whatever name known, whether actual or fictitious, including digital currency, crypto currency or any other type of electronic currency.
- C.** "Communication supply services" means the property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
1. Communication transmission lines, including fiber optic transmission lines;
 2. Coaxial cables; and
 3. Microwave radio relays except satellites.
- D.** "Denial of service attack" means any attack designed to overload a web site, a computer system or network to which the computer system is connected with useless traffic which denies or limits legitimate electronic mail or web site usage.
- E.** "Dependent property" means property operated by others whom you depend on to:
1. Deliver materials or services to you or to others for your account (Contributing Locations). But any property which delivers any of the following services is not a Contributing Location with respect to such services:
 - a. "Water supply services";
 - b. "Power supply services"; or
 - c. "Communication supply services", including services relating to Internet access or access to any electronic, cellular or satellite network;
 2. Accept your products or services (Recipient Locations);
 3. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 4. Attract customers to your business (Leader Locations).
- A road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure is not a "dependent property".
- F.** "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs here means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This does not apply to your "stock" of prepackaged software or to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.

- G.** “Electronic data processing equipment” means “hardware” and “media”.
- H.** “Film print” means the following:
1. Exposed motion picture film and its sound track or sound record;
 2. Digital recordings, magnetic or video tape and its sound track or other sound record;
 3. Interpositives and positive prints of films;
 4. Work prints, cutting copies, and fine grain prints; and
 5. Transparencies, cels, and art work used to create animation images, and software and related material used to generate computer images in connection therewith.
- I.** “Fine arts” means paintings, etchings, pictures, tapestries, and other bona fide works of art, of rarity, historical value, or artistic merit such as valuable rugs, statuary, marbles, bronzes, antiques, furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac.
- J.** “Finished stock” means stock you have manufactured, or is manufactured for you, that is in a completed state and ready for sale. “Finished stock” does not include any stock that is held for sale at any retail outlet.
- K.** “Fungus” means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- L.** “Graphic arts materials” means negatives, positives, artwork, separations, plates, dies, molds, models, forms, stock, manuscripts and other similar property usual to the graphic arts, printing or publishing industry, including those which exist on electronic or magnetic media, other than prepackaged software programs. “Graphic arts materials” does not include “film print”.
- M.** “Hardware” means a network of machine components including computer systems, telephone systems and electrical panels capable of accepting data, processing it through instruction by software, and producing the desired results. “Hardware” does not include “electronic data”, “film print”, “media”, medical or veterinary equipment or “scientific and professional equipment”.
- N.** “Hazardous substance” means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- O.** “Media” means all forms of electronic, magnetic and optical tapes and discs, drums, cells, paper tapes and cards, or other storage devices. “Media” does not include “electronic data”, “hardware” or “film print”.
- P.** “Mobile communication property” means the following “hardware”:
1. Cellular telephones;
 2. Laptop computers;
 3. Electronic tablets;
 4. Pagers;
 5. Personal digital assistants;
 6. Mobile hand-held global positioning systems; and
 7. Other hand-held communication devices;
- used in your business and owned by you or your officers, your partners or members, your managers or your employees. “Mobile communication property” does not include “electronic data”, “film print” or “media”.
- Q.** “Money” means:
1. Currency, coins and bank notes in current use and having a face value; and
 2. Travelers checks, registered checks, lottery tickets and money orders held for sale to the public.
- “Money” does not include virtual currency of any kind, by whatever name known, whether actual or fictitious, including digital currency, crypto currency or any other type of electronic currency.
- R.** “Operations” means:
1. Your business activities occurring at the described premises; and
 2. The tenantability of the described premises, if coverage for Business Income Including Rental Value or Rental Value applies.

With respect to the following Business Income or Extra Expense Coverage Extensions and Optional Coverages as described below, the phrase “the described premises” used in Paragraphs 1. and 2. above includes:

- a. A newly acquired location, with respect only to the insurance provided by your Newly Acquired Locations Coverage Extension; and
 - b. A location covered under your Property at Other Locations Additional Coverage contained in this Coverage Part, with respect only to the insurance provided by your Optional Property at Other Locations Coverage.
- S.** “Period of restoration” means:
- 1. The period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income coverage, unless another Waiting Period is shown in the Declarations; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage; caused by or resulting from a Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.
 - 2. No coverage is provided during the 72-hour waiting period described in 1.a.(1) above or, if applicable, the Waiting Period shown in the Declarations.
 - 3. The “period of restoration” does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:
 - a. Regulates the construction, use or repair, or requires the tearing down of any property; or
 - b. Requires any insured 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”.
 - 4. The expiration date of this policy will not cut short the “period of restoration”.
 - 5. With respect to the following Business Income or Extra Expense Coverage Extensions and Optional Coverages as described below, the phrase “at the described premises” used in Paragraph 1. above is replaced by the following:
 - a. “At a newly acquired location”, with respect only to the insurance provided by your Newly Acquired Locations Coverage Extension;
 - b. “At a ‘dependent property’”, with respect only to the insurance provided by your Dependent Properties Coverage Extension;
 - c. “In transit”, with respect only to the insurance provided by your Optional Property in Transit Coverage, if any; and
 - d. “At a location covered under your Property at Other Locations Additional Coverage contained in this Coverage Part”, with respect only to the insurance provided by your Optional Property at Other Locations Coverage, if any.
- T.** “Perishable goods” means personal property:
- 1. Maintained under controlled conditions for its preservation; and
 - 2. Susceptible to loss or damage if the controlled conditions change.
- U.** “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- V.** “Power supply services” means the following types of property supplying electricity, steam or gas to the described premises:
- 1. Utility generating plants;
 - 2. Switching stations;
 - 3. Substations;
 - 4. Transformers; and
 - 5. Transmission lines.
- W.** “Prototypes” means the first or original model of a new type of design.

- X.** “Rental value” means Business Income that consists of:
1. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; plus
 2. Continuing normal operating expenses incurred in connection with that premises including:
 - a. Payroll; and
 - b. The amount of charges which are the legal obligation of any tenant but would otherwise be your obligations.

With respect to the following Business Income or Extra Expense Coverage Extensions and Optional Coverages as described below, the phrase “premises described in the Declarations” used in Paragraphs 1. and 2. above includes:

- a. A newly acquired location, with respect only to the insurance provided by your Newly Acquired Locations Coverage Extension; and
 - b. A location covered under your Property at Other Locations Additional Coverage contained in this Coverage Part, with respect only to the insurance provided by your Optional Property at Other Locations Coverage.
- Y.** “Research and development documents” means documents, plans and records which are directly associated with your “research and development operations”.
- Z.** “Research and development operations” means your business activities occurring at the described premises that are directly related to the development of new products or the enhancement of existing products. With respect to the following Business Income or Extra Expense Coverage Extensions and Optional Coverages as described below, the phrase “the described premises” used in in this definition includes:
1. A newly acquired location, with respect only to the insurance provided by your Newly Acquired Locations Coverage Extension; and
 2. A location covered under your Property at Other Locations Additional Coverage contained in this Coverage Part, with respect only to the insurance provided by your Optional Property at Other Locations Coverage.

AA. “Research and development property” means:

1. “Prototypes” and enhancements to existing products that are under development; and
2. Inscribed, printed or recorded “research and development documents”; if they are directly associated with your “research and development operations”.

“Research and development property” does not include “accounts receivable”, animals, “electronic data” or “research and development property” which exists as “electronic data”, “electronic data processing equipment”, “fine arts”, “graphic arts materials”, “money”, “securities”, “stock” or “valuable papers and records”.

- BB.** “Salesperson samples” means business personal property in the care, custody or control of your salesperson and used only for sample purposes. “Salesperson samples” does not include Property Not Covered under Paragraph 2. **Property Not Covered** of Section A. **Coverage** of your BUILDING AND PERSONAL PROPERTY COVERAGE FORM, unless it is business personal property that is Covered Property under an Additional Coverage, Coverage Extension or Optional Coverage contained in this Coverage Part other than your Non-Owned Detached Trailers Coverage Extension, Electronic Data Additional Coverage or Money and Securities Additional Coverage.

- CC.** “Scientific and professional equipment” means engineering, measurement, recording, analyzing or similar equipment or their components. “Scientific and professional equipment” does not include “hardware”, “media” or “electronic data”.

- DD.** “Scientific Animals” means animals used, or to be used, for research and development or the production of drugs, medical devices, nutritional supplements, dietary supplements or cosmetics.

- EE.** “Securities” means negotiable and non-negotiable instruments or contracts representing either “money” or property and includes:
1. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

2. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money" or virtual currency of any kind, by whatever name known, whether actual or fictitious, including digital currency, crypto currency or any other type of electronic currency.

FF. "Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

1. The cost of filling sinkholes; or
2. Sinking or collapse of land into man-made underground cavities.

GG. "Soft costs" means:

1. Realty taxes and other assessments attributed to the increased property values that result directly from construction or repair costs associated with loss or damage by a Covered Cause of Loss;
2. Increased interest and fees necessitated by the operation of a mortgage acceleration clause; and
3. Advertising and promotional expenses.

HH. "Specified causes of loss" means fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects; weight of snow, ice or sleet; "water damage"; sonic boom and elevator collision. Falling objects does not include loss or damage to:

1. Personal property in the open; or
2. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

II. "Standing timber" means trees grown for commercial purposes, including trees grown for commercial sales.

JJ. "Stock" means merchandise held in storage or for sale, raw materials and in-process or "finished stock", including supplies used in their packing or shipping.

KK. "Suspension" means:

1. The slowdown or cessation of your business activities; or
2. That a part or all of the described premises is rendered untenable if coverage for Business Income Including Rental Value or Rental Value applies.

LL. "Tools and equipment" means miscellaneous tools and equipment, including their:

1. Accessories, whether or not attached; and
2. Spare parts that are specifically designed and intended for use in the maintenance and operation of other "tools and equipment";

that you own, or that you do not own but that are in your care, custody or control or in the care, custody or control of your employees.

MM. "Unmanned aircraft or watercraft" means aircraft or watercraft that is not:

1. Designed;
 2. Manufactured; or
 3. Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft or watercraft.

NN. "Valuable papers and records" means inscribed, printed, recorded or written documents, manuscripts, negatives, transparencies, tapes or records, including abstracts, maps, books, deeds, drawings, blueprints, films, tapes or mortgages. "Valuable papers and records" does not include "accounts receivable", "electronic data", "valuable papers and records" which exist as "electronic data", "electronic data processing equipment", "film print", "fine arts", "graphic arts materials", "money", "research and development property", "securities" or "stock".

OO. "Water damage" means:

1. Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and

2. Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises is located.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. To the extent that accidental discharge or leakage of water falls within the criteria set forth in Paragraph 1. or 2. above, such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

PP. "Water supply services" means the following types of property supplying water to the described premises:

1. Pumping stations;
2. Water mains; and
3. Sewage treatment stations.

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