



## LOSS OF EARNINGS

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

For an additional premium, *we* provide coverage under this endorsement subject to the *terms* contained in the General Policy Provisions.

Loc	Bldg	Forms that apply to	Limit of Insurance	
No.	No.	Loss of Earnings	Each 30 days	Aggregate

### WHAT WE PAY FOR

*We* pay for Loss of Earnings when *your earnings* are interrupted by a covered cause of loss subject to the General Policy Provisions except Coinsurance and Deductible.

### HOW MUCH WE PAY FOR LOSS OR CLAIM

*We Pay For:*

1. *Your* actual loss of *earnings* resulting directly from necessary interruption of *business*. This loss will not be more than the reduction in *earnings* less charges and expenses that do not necessarily continue. *We* pay for only the length of time that is required to rebuild, repair or replace the property that has been damaged or destroyed. This length of time may extend beyond the expiration of this policy. *You* must do everything reasonable to reduce the amount of loss. *You* must do everything reasonable to resume operations with the same quality of service which existed immediately before the loss; and *you* must resume partial or complete operation of the property making use of *merchandise, stock* or other property at *your* other locations.

Reductions in loss by use of *merchandise, stock* or other property at other locations will be taken into account when *we* are determining the amount payable to *you*.

2. Expenses that are necessarily incurred for the purpose of reducing the loss. These expenses shall not exceed the amount by which the loss otherwise payable is reduced. The aggregate of these expenses shall not exceed the amount by which the loss under this endorsement is reduced.
3. **LIMITATION-ELECTRONIC MEDIA AND RECORDS**

*We* will not pay for any loss of *earnings* caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a) 60 consecutive days from the date of direct physical loss or damage; or
- b) The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same *occurrence*.

**Electronic Media and Records** are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. *We* will only pay for the loss of earnings sustained during the period June 1-September 1. Loss during the period September 2-October 1 is not covered.

Example No. 2:

A covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. **We** will only pay for the loss or earnings sustained during the period August 1-September 29 (60 consecutive days). Loss during the period September 30-October 15 is not covered.

#### 4. **ADDITIONAL COVERAGES.**

- a) Alterations and New Buildings-**We** will pay for the actual and necessary loss of **earnings you** incur due to direct physical loss or damage at the described premises caused by or resulting from any covered cause of loss to:
- (1) New buildings or structures, whether complete or under construction;
  - (2) Alterations or additions to existing buildings or structures; and
  - (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
    - (a) used in the construction, alterations or additions; or
    - (b) incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of operations, the **period of restoration** will begin on the date operations would have begun if the direct physical loss or damage had not occurred.

- b) Civil Authority-**We** will pay for actual and necessary loss of earnings **you** incur caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damages to property, other than at the described premises, caused by or resulting from any covered cause of loss. This coverage will apply for a period of up to two consecutive weeks from the date of that action.

Payments under the Additional coverages will not increase the applicable limit of insurance.

#### 5. **LOSS DETERMINATION.**

- 1) The amount of loss of **earnings** will be determined based on:
- a) The net income of the **business** before the direct physical loss or damage occurred;
  - b) The likely net income of the **business** if no loss or damage occurred;
  - c) The operating expenses, including payroll expenses, necessary to resume operations with the same quality of service that existed just before the direct physical loss or damage; and
  - d) Other relevant sources of information, including:
    - (1) **Your** financial records and accounting procedures;
    - (2) Bills, invoices and other vouchers; and
    - (3) Deeds, liens or contracts.

### **WHAT WE DO NOT PAY FOR**

#### ***We Are Not Liable For:***

1. An amount greater than the amount applicable to "Each 30 days" for loss in any 30 consecutive calendar days. In any event the loss shall not exceed the amount applicable as an "Aggregate" limit of insurance.
2. loss resulting from theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place of a riot or civil commotion), unless loss by a cause of loss not excluded in this policy results from theft or attempted theft. Then **we** shall be liable for only such resulting loss.
3. any other consequential or remote loss.
4. damage to or destruction of **finished stock**, nor for the time required to reproduce the **finished stock**.

#### ***We Are Not Liable For Any Increase Of Loss Due To:***

1. any local or state ordinance regulating construction, repair or demolition of buildings or structures.
2. interference at the described premises by strikers or other persons with rebuilding, repairing or replacing the property or with the reoccupancy of the premises.
3. suspension, lapse or cancellation of any lease, contract or order unless such suspension, lapse or cancellation results directly from the untenability of the premises. Then **we** shall be liable for only such loss as affects the **earnings** of the premises during, and limited to, the period of coverage under this policy.

#### **DEFINITIONS**-the following definitions apply to this policy:

1. **Earnings**-means the total of net profit, payroll expenses, taxes, interest, rents and all other operating expenses earned by the **business**.
2. **Normal**-means the condition that would have existed had no loss occurred.
3. **Raw Stock**-means material in the state in which **you** receive it for conversion by **you** into **finished stock**.

4. **Stock in Process**-means *raw stock* which has undergone any aging, seasoning, mechanical or other process of manufacture at the locations described but which has not become *finished stock*.
5. **Finished Stock**- means stock manufactured by *you* and which is ready for packing, shipment or sale.
6. **Merchandise**-means goods kept for sale by *you* which are not a product of manufacturing operations conducted by *you*.
7. **Directly**-means loss, as limited and conditioned in this policy, resulting from direct loss to the described property from a covered cause of loss.