



LOSS OF RENTS

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. No.	Bldg. No.	Forms that apply to Loss of Rents	Contribution Clause Percentage	Limit of Insurance
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WHAT WE PAY FOR

We pay for loss of **rents** when **your** rental income is 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 **rents** resulting **directly** from untenantability. This loss is not to exceed the reduction in **rents** less charges and expenses that do not continue. **You** must do everything reasonable to rebuild, repair or replace the damaged property.
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. These expenses shall not be subject to the contribution clause formula.
3. **LIMITATION-ELECTRONIC MEDIA AND RECORDS.**

We will not pay for any loss of **rents** 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 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 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 **rents 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 **rents you** incur caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage 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 **rents** 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 that 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) more than the limit of insurance for **rents** for each premise;
- 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 ensues from theft or attempted theft. Then **we** shall be liable for only such ensuing loss;
- 3) any other consequential or remote loss.

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 **rents** of the premises during, and limited to, the period of indemnity under this policy.

CONTRIBUTION CLAUSE PERCENTAGE-**We** will not be liable for a greater portion of any loss than the limit of insurance bears to the amount produced in the following formula.

Your rents (that would have been earned if no loss had occurred during the 12 months immediately following the date of damage or destruction of the described property) (x) multiplied by the Contribution Clause Percentage.

DEFINITIONS-The following definitions apply to this policy:

Rents-(including rental value) means the sum of:

- 1) The total anticipated gross rental income from tenant occupancy of the described property; and
- 2) the amount of all charges which are the legal obligation of the tenants and which would otherwise be obligations of the **insured**; and
- 3) the fair rental value of any portion of the described property which is occupied by the **insured**.

Directly-means loss, as limited and conditioned in this policy, resulting from direct loss to the described property from the covered causes of loss.