

Electronic Data Processing Equipment

A. Property Insured

This policy covers Hardware per the list on file with the Company, Software and Extra Expense.

Loc. No.	Location	Limits of Coverage		
		Hardware	Software	Extra Expense
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____

For Software and Extra Expense, if no limit is entered \$5,000 applies.
EDP deductible \$

Hardware Coinsurance %

B. Perils Insured Against

This policy insures against all risks of direct physical loss to Hardware, Software, and Extra Expense, subject to exclusions.

C. Optional Coverage Extensions/ Limitations

The following extension(s)/ limitation(s) apply(ies) only if an is shown in the appropriate box.

- Replacement Cost: For Hardware, the Company will pay the cost to repair or replace with like kind and quality.
- Actual Cash Value: For Hardware, the Company will pay the replacement cost at time of loss less physical depreciation.
- Electrical Disturbances: For Hardware, coverage is extended to include losses resulting from electrical disturbances, Exclusion 2, is amended to read:

2. Damage due to and arising out of mechanical failure faulty installation, wear and tear, and electrical or magnetic erasures, unless fire or explosion ensues and then the Company shall be liable for only such ensuing loss. This additional coverage is subject to \$1,000 deductible per occurrence or the EDP deductible, whichever is higher.

D. Property not Covered

1. Property which is more specifically insured in whole or in part under this or any other contract or insurance;
2. Property rented to or leased to others;
3. Data or media which cannot be replaced with like kind or quality;
4. Currency, money, bullion, notes and securities;
5. Valuable papers and business records, including books of account, manuscript, abstracts, drawings and card index systems except as they are converted to data form and then, only in that form;
6. Property while waterborne (except while in transit on ferries or car floats).
4. Latent defect inherent vice, mechanical breakdown, or electronic component failure, other than loss damage caused by or resulting from ensuing fire, explosion, smoke, elevator collision, leakage of fire protection equipment, or water damage not otherwise excluded;
5. Dishonest acts or omissions of the Insured or any associate, servant or employee of the insured whether acting alone or in collusion with others;
6. Enforcement of any local or state ordinance or law regulating the construction, repair or demolition of building(s) or structure(s);
7. Mysterious disappearance or loss of which proof is dependent upon an inventory computation or a profit and loss computation;
8. Actual work upon property insured, including processing operations, except with respect to ensuing loss caused by or resulting from fire, explosion, water damage or smoke not otherwise excluded;
9. Error in machine programming or instruction to the machine;
10. War Risk Exclusion: This policy shall not apply to loss caused, directly or indirectly, by or due to any act or condition incident to the following:
 - a. Hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack, (1) by any government or sovereign power (de jure or de facto), or by any authority maintaining, or using military, naval or air forces; or (2) by

E. Exclusions

This policy does not insure against loss caused by, resulting from, contributed or aggravated by any of the following:

1. Dryness or dampness of atmosphere, extremes of temperature, corrosion or rust unless directly resulting from physical damage to the Hardware's air conditioning facilities caused by an insured peril;
2. Mechanical failure faulty installation, wear and tear, electrical or magnetic erasure, unless fire or explosion ensues and then the Company shall be liable for only such ensuing loss;
3. Loss resulting from interruption of business ;

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military, naval or air forces; or (3) by an agent of such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be a hostile or warlike action by such a government, power authority or forces;

- b. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating or defending against such an occurrence; seizure or destruction under quarantine or customs' regulations, confiscation by order of any government, or public authority, or risks of contraband or illegal transportation or trade;
11. Nuclear Clause: The word "fire" in this policy is not intended to and does not embrace nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled. Loss by nuclear reaction or nuclear radiation or radioactive contamination is not intended to be and is not insured against by this Part, whether such loss be direct or indirect, proximate or remote, or be in whole part or in part caused by, contributed to, or aggravated by "fire" or any other peril insured against by this part. Subject to the foregoing and all provisions of this policy, direct loss by "fire" resulting from nuclear reaction or radioactive contamination is insured against by this Part;
12. Nuclear Exclusion: Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled or due to any act or condition incident to any of the foregoing is not insured against by this policy, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by contributed to, or aggravated by any perils insured against by this policy; and nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, is not "explosion" or "smoke". This loss applies to all perils insured against hereunder except the perils of fire and lightning which are otherwise provided for in the Nuclear Clause.
13. Back-up of sewers or drains;
14. Water below the surface of the ground which damages the equipment or which seeps or leaks into the building;
15. With respect to Extra Expense Coverage;
 - a. Suspension, lapse or cancellation of any lease, license, contract or order; or
 - b. Strikes
16. Earthquake or other earth movement, including but not limited to landslide, mud flow, earth sinking, earth rising or shifting, subsidence, frost heaving.
17. Flood, surface waters, waves, tidal water or tidal wave, overflow of streams or other bodies of water or spray from any of the foregoing, all whether wind driven or not.
18. Loss or damage resulting from computer virus: viruses are self replicating electronic defects that contaminate or destroy programs, data, and operating systems or equipments.

F. Extension of Coverage

1. **Extra Expense:** An amount not exceeding \$5,000 (or the amount indicated in the Limits of Coverage) for the extra expense necessarily incurred to actually perform the operations normally performed by the Hardware and Software system. The Insured shall exercise due diligence and dispatch to restore normal service and operations.
2. **Debris Removal:** This policy covers expenses incurred in the removal of all debris of property covered hereunder which may be occasioned by loss insured in this policy. The total amount recoverable under this policy including this extension, shall not exceed the limit of liability, for each item insured under this policy. Cost of removal of debris shall not be considered in the determination of actual cash value when coinsurance is applied.
3. **Automatic Coverage:** Coverage is provided for newly acquired hardware at an unscheduled location. The limit in the Company's liability under this section shall be 20% of the highest limit of coverage applicable to Hardware at any schedule location or \$50,000, whichever is less. This additional coverage will cease 90 days from the date of acquisition if not reported to the Company. Additional premium for such locations will be charged from the date of acquisition for the values reported.
4. **Software:** An amount not exceeding \$5,000 (or the amount indicated in the Limits of Coverage) for Software. Coverage is provided for duplicate and back-up Software at an unscheduled location. This limit of the Company's liability under this extension shall be 10% of the highest limit of coverage applicable to Software at any scheduled location.

G. How Loss is Settled

Subject to the value shown in Limits of Coverage and the terms and condition of the policy, the Company shall be liable as follows:

1. **Hardware.**
 - a. Owned Equipment. In the event of loss, the company shall pay for the actual cash value of the insured Hardware.
 - b. Leased Equipment. If the insured Hardware is leased or rented, coverage shall be for the difference in conditions between the coverage afforded by the lesser under the provisions of the lease agreement and the coverage provided under this policy, subject to the terms of this policy.
 - c. Coinsurance. The Company shall not be liable for a greater proportion of any loss to the Hardware covered than the limit of liability under this policy for Hardware bears to the amount produced by multiplying the coinsurance percentage by the total value of the insured property determined by the same method of valuation used to establish the amount of the loss. If no percentage is shown, 90% applies.
2. **Software:** The Company shall pay for the full cost of replacement or reproduction; if not replaced or reproduced, blank value of media.

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3. **Extra Expense:** The Company shall pay for the extra expense necessarily incurred to actually perform the operations normally performed by the Hardware and Software system:

- a. Following damage to or destruction of property or information insured hereunder; or
- b. For a period not exceeding two weeks, when due to damage to or destruction of property adjacent to the premises herein described, access to such described premises is specifically prohibited by order of civil authority.

The insurance hereunder with respect to any one loss shall not be limited by the date of expiration of the policy. It shall apply for such length of time as shall be required with the exercise of due diligence and dispatch to rebuild, repair, or replace such property as has been destroyed or damaged.

4. **Deductible:** Each loss separately occurring under Hardware or Software shall be adjusted separately and from the amount of each adjusted loss the amount designated in the Limits of Coverage shall be deducted. If such loss involves Hardware and Software, only one deductible shall apply.

H. Additional Conditions

1. **Assignment:** This policy may not be assigned or transferred without the written consent of the Company.
2. **Other Insurance:** If at the time of loss, there is other insurance available to the Insured or any other interested party covering such loss except for the existence of this insurance, the Company should be liable as follows:
 - a. If such insurance is Contributing Insurance defined as any insurance written in the name of the Insured, upon the same plan, terms, conditions and provisions as contained in this policy whether collectable or not, the Company shall be liable for no greater proportion of any loss than the limit of liability under this policy bears to the whole amount of insurance covering such loss.
 - b. If such insurance is Specific Insurance, defined as any insurance other than that described as Contributing Insurance in a. above, the Company shall not be liable for any loss hereunder until the liability of such Specific Insurance has been exhausted, and then will cover only such amount as may exceed the amount due from Specific Insurance (whether collectable or not) after application of any contribution, coinsurance, average or distribution or other clauses contained in the policies of such Specific Insurance affecting the collectable amount. This Company's payment shall not exceed the applicable limit of liability under this policy.
3. **Loss Clause:** Unless otherwise provided any loss hereunder shall not reduce the amount of this policy.
4. **Loss Payable Clause:** Loss, if any, shall be adjusted with the Named Insured and shall be payable to him unless other payee is specifically named thereunder; provided, at the option of the Company any loss to property of others may be adjusted with and paid to the owner of such property.

Definitions

Electrical Disturbance means damage to insured electrical equipment or apparatus directly caused by short circuit, blow-out, lightning, power surge or power interruption.

Hardware means electronic data processing equipment which is a network of machine components capable of accepting information, processing it according to a plan and producing the desired results.

Software includes data and media. Data means facts, concepts or instructions converted to a form usable in hardware. This includes computer programs but not media. Media means the materials on which data are recorded, such as magnetic tapes, disk packs, paper tapes and cards.