

# Electronic Data Processing Equipment, Media & Extra Expense

## 1 PROPERTY INSURED

This policy, except as herein provided, insures electronic "data processing systems" including business computers, machines, word processing machines and electronic information systems, including components, connections, extensions and systems, owned by, leased to, or under control of the Insured or for which the Insured is liable, all as shown on the Declaration Page of this policy.

## 2 PROPERTY EXCLUDED

This Form does not insure the following types of property:

- a Any electronic media which cannot be replaced with others of the same kind and quality unless specifically described and insured for an agreed value;
- b Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, or other documents;
- c Property rented or leased to others while away from the premises of the Insured.

## 2 LIMITS OF LIABILITY

The Insurer's total liability for any one loss including salvage charges and other expenses shall not exceed the limits of insurance as stated in the "Declarations Page" for the said location.

The Insurer's liability for loss to property damaged while in transit or while temporarily within other premises shall not exceed the limits of insurance stated in the "Declarations Page" under 'TRANSIT'.

## 3 ADDITIONAL COVERAGE:

This policy is extended to include the following additional coverage:

- a "Data Processing Media" and "Extra Expense": This Form is extended to cover for a total amount for an amount as shown on the "Declarations Page" or not exceeding thirty (30) percent of the coverage limit at the location where loss occurs and not to exceed fifteen (15) percent applicable to each of the following, whichever is greater:
  - (i) Active data processing media consisting converted data and/or program and/or instruction vehicles, being property of the Insured or property of others for which the Insured may be liable;
  - (ii) Extra Expense necessarily incurred by the Insured in order to continue normal operations which are interrupted as a result of a loss insured by this Policy.
- b Additional Property: Insurance shall apply for 20% of the largest Coverage Limit at any locations shown in the Declarations Page, but not to exceed \$100,000 on such additional property. This extension of coverage applies only for 30 days unless reported to the Company. Additional premium is so payable as of the acquisition date of the property.
- c New Location Property: Insurance shall apply automatically to any of the property that is moved to a new location for up to \$100,000 at any one location. This extension of coverage is provided for property at new location(s) for thirty (30) days only unless reported to the Company. The policy premium shall be adjusted if the premium at the new location(s) is different than at the previous location.

## 4 DEDUCTIBLE

Each claim for loss or damage hereunder shall be adjusted separately and from the amount of each adjusted claim, the amount shown in the "Declarations Page" shall be deducted.

## 5 PERILS INSURED

This Form insures against all risk of physical loss or damage to the property insured except as hereinafter provided.

## 6 PERILS EXCLUDED

This Form does not insure against loss, damage or expense caused directly or indirectly by:

- a Delay, loss of market, loss of use or indirect or consequential loss of any kind;
- a Short circuit, blow out, or other electrical disturbance, other than lightning, within electrical apparatus, unless fire or explosion ensues and then only for loss, damage or expense caused by such ensuing fire or explosion;
- b Mechanical breakdown, machinery malfunction or media failure while said media is being run through the electronic data processing system unless fire or explosion ensues and then only for the loss, damage or expense covered by such ensuing fire or explosion;
- c Loss or destruction of accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they may be converted to data processing media form and then only in that form;
- d Inherent vice, insects, vermin, rodents, wear, tear, gradual deterioration, or depreciation;
- e Any dishonest, fraudulent or criminal act by any Insured, a partner therein or an officer, director or trustee thereof, whether acting alone or in collusion with others;
- f Loss or damage caused directly or indirectly by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power.

## 7 ADDITIONAL PERILS EXCLUDED

With respect only to Extra Expense, this Form does not insure against loss, damage or expense directly or indirectly caused by or resulting from:

- a Loss of Profits or Earnings;
- b Error or omission in machine programming or instructions to machine;
- c Any local or provincial ordinance or law regulating construction or repair of buildings or property;
- d Any suspension, lapse or cancellation of any lease, license, contract or order;
- e Interference at premises by strikers or other persons with replacing the property damaged or destroyed or with the resumption or continuation of the Insured's occupancy.

## 8 DATA EXCLUSION

This Form Does not Insure:

- a Loss or damage to "Data";
- b Loss or damage caused directly or indirectly by "Data Problem". However, if loss or damaged caused by "Data Problem" result in the occurrence of further loss or damage to property insured that is directly caused by fire, explosion, smoke, leakage from fire protective equipment, this exclusion (b) shall not apply to such resulting loss or damage.

## 9 VALUATION

The following clause shall apply if indicated on the "Declarations Page":

- a Actual Cash Value – This Insurer shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality;

The following clause shall apply if indicated on the "Declarations Page":

- b Replacement Cost – This Insurer shall not be liable beyond the actual retail replacement cost of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated on the basis of the actual cash retail replacement cost of the property similar in kind to that Insured at the place of and immediately preceding the time of such loss or damage, but in no event to exceed the limit of liability stipulated in the "Declarations Page".

## 10 COINSURANCE CLAUSE

The following clause shall apply if Actual Cash Value is indicated on the "Declarations Page":

- a This Insurer shall be liable in the event of a loss for no greater proportion thereof than the amount hereby insured bears to the percent indicated in the "Declarations Page" of the actual value of all property insured hereunder at the time such loss shall happen.

The following clause shall apply if Replacement Cost is indicated on the "Declarations Page":

- b This Insurer shall be liable in the event of loss for no greater proportion thereof than the amount hereby insured bears to the percent indicated in the "Declarations page" of the actual cash retail replacement cost of all property insured hereunder at the time such loss shall happen.

## 11 REINSTATEMENT

Loss under any item of this Form shall not reduce the applicable amount of insurance.

## 12 DIFFERENCE IN CONDITIONS

It is a condition of this Insurance that the Insured shall file with this Insurer a copy of any lease or rental agreement pertaining to the property insured insofar as concerns the lessors' liability for loss or damage to said property and coverage afforded hereunder shall be only for the difference in conditions between those contained in said lease or rental agreement and the terms of this Policy. The Insured agrees to give the Insurer thirty (30) days written notice of alteration, cancellation or termination of the above mentioned lease or rental agreement pertaining to the lessors' liability.

## 13 DEFINITIONS

Wherever used in this form:

- a "Data" means representations of information or concepts, in any form.
- b "Data Problem" means:
  - i. erasure, destruction, corruption, misappropriation of "data";
  - ii. error in creating, amending, entering, deleting or using "data";
  - iii. inability to receive, transmit or use "data";
  - iv. damage to electronic "data processing system(s) and equipment or any other related component system, process or device.
- c "Declarations Page" means the Declarations Page applicable to this form;
- d "Extra Expense" means the excess (if any) of the total cost during the period of restoration of the operations of the business over and above the total cost of such operation that would normally have been incurred during the same period had no loss occurred; the cost in each case to include expense of using other property or facilities of other concerns or other necessary emergency expenses;

- e "Data Processing Media" means all forms of converted data, program or instruction vehicles employed in the Insured's data processing operation, except all such unused property;
- f "Data Processing Systems" means electronic data processing systems including equipment and component parts thereof, the "property" of the Insured or the property of others, leased, rented, or under the control of the Insured and for which the Insured is liable.

EXCEPT AS OTHERWISE PROVIDED IN THIS FORM, ALL TERMS, CONDITIONS AND PROVISIONS OF THE POLICY TO WHICH THIS FORM IS ATTACHED SHALL HAVE FULL FORCE AND EFFECT.