

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUSINESS INCOME AND/OR EXTRA EXPENSE
COVERAGE FOR YEAR 2000 COMPUTER-RELATED
AND OTHER ELECTRONIC PROBLEMS**

This endorsement modifies insurance provided under the following:

- BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
- BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
- EXTRA EXPENSE COVERAGE FORM

SCHEDULE*

Described Premises
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

- A.** The provisions of Endorsement **IL 09 35** do not apply to the coverage provided under this endorsement.
- B.** As used in this endorsement, the word Computer and the term Computer Failure have the following meanings:
 - 1.** Computer means computer hardware, including microprocessors; computer application software; computer operating systems and related software; computer networks; microprocessors (computer chips) not part of any computer system; or any other computerized or electronic equipment or components.
 - 2.** Computer Failure means the failure, malfunction or inadequacy of a Computer due to the inability to correctly recognize, distinguish, interpret or accept the year 2000 and beyond.
- C.** If this endorsement is attached to the Business Income (And Extra Expense) Coverage Form, the following apply:
 - 1.** Subject to Paragraph **I.**, this endorsement covers actual loss of Business Income you sustain caused by Computer Failure at the premises described in the Schedule, or at another location if the off-premises Computer interfaces with a Computer at the described premises or is otherwise used in the "operations" of the business at the described premises.
- 2.** Subject to Paragraph **I.**, this endorsement covers the actual and necessary Extra Expense you incur due to Computer Failure at the premises described in the Schedule, or at another location if the off-premises Computer interfaces with a Computer at the described premises or is otherwise used in the "operations" of the business at the described premises. Extra Expense means necessary expenses you incur that you would not have incurred if there had been no Computer Failure. Extra Expense includes expenses for repair, modification or replacement of the Computer but only to the extent that such expenses reduce the amount of Business Income loss that otherwise would have been payable under the provisions of this endorsement.
- D.** If this endorsement is attached to the Business Income (Without Extra Expense) Coverage Form, the following apply:
 - 1.** Subject to Paragraph **I.**, this endorsement covers actual loss of Business Income you sustain caused by Computer Failure at the premises described in the Schedule, or at another location if the off-premises Computer interfaces with a Computer at the described premises or is otherwise used in the "operations" of the business at the described premises.

2. Subject to Paragraph I., this endorsement covers Expenses to Reduce Loss. In the event of a covered loss of Business Income under this endorsement, we will pay actual and necessary expenses you incur to avoid further loss of Business Income, including expenses for repair, modification or replacement of the Computer. The total of our payment for Business Income loss and Expenses to Reduce Loss will not be more than the Business Income loss that would have been payable under this endorsement if the Expenses to Reduce Loss had not been incurred.
- E.** If this endorsement is attached to the Extra Expense Coverage Form, the following apply:
Subject to Paragraph I., this endorsement covers the actual and necessary Extra Expense you incur due to Computer Failure at the premises described in the Schedule, or at another location if the off-premises Computer interfaces with a Computer at the described premises or is otherwise used in the "operations" of the business at the described premises. Extra Expense means necessary expenses you incur that you would not have incurred if there had been no Computer Failure. But Extra Expense does not include expenses for repair, modification or replacement of the Computer.
- F.** The coverage set forth in Paragraphs C., D. and E. does not apply to any loss you sustain or any expense you incur due to the failure of power or other utility service supplied to the described premises, caused by Computer Failure, whether or not this policy includes the Utility Services – Time Element endorsement.
- G.** The coverage set forth in Paragraphs C., D. and E. does not apply to a Computer Failure that affects the business "operations" at the described premises prior to the inception date of this endorsement.
- H.** With respect to an instance of Computer Failure, coverage under this endorsement ends 30 days after the Computer Failure is corrected, or when there is no further loss or expense caused by that Computer Failure, whichever comes first.
- I.** The most we will pay under this endorsement for the total of all losses and/or expenses sustained in any one policy year is \$25,000, regardless of the number of Computer Failures or the number of Computers involved in any Computer Failure.
The \$25,000 limit is not subject to the Coinsurance Condition of the Coverage Form. Nor is payment under this endorsement affected by the Maximum Period Of Indemnity, Monthly Limit Of Indemnity or Business Income Agreed Value coverages or the Loss Condition titled Limits On Loss Payment.