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## COMPUTERS

(If this coverage applies, required information will be shown on the "declarations".)

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### DEFINITIONS

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The following additional definitions apply to the coverage provided by this endorsement.

1. "Electrical disturbance" means electrical injury, magnetic injury, disturbance of electronic recordings, or erasure of electronic recordings.
2. "Hardware" means machines or a network of machines including related peripheral equipment capable of accepting information and processing it according to a plan or program.
3. "Power supply disturbance" means interruption of electrical power supply, power surge, blackout, or brownout.
4. "Software" means:
  - a. processing, recording, or storage media used for electronic data processing operations. This includes films, tapes, cards, discs, drums, cartridges, or cells.
  - b. data, including instructions or information, stored on processing, recording, or storage media used for electronic data processing operations.

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### PROPERTY COVERED

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"We" cover those items for which a "limit" is shown above.

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### PROPERTY NOT COVERED

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"We" do not cover property loaned, rented, or leased to others while away from the "insured premises".

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### EXTENSIONS OF COVERAGE

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1. **Software** -- If no "limit" is shown above for "software", the most "we" pay for loss to "software" is \$250 per occurrence.
2. **Newly Acquired Property** -- "We" cover "hardware" or "software" that "you" acquire during the policy period.

This coverage applies for 30 days from the date "you" acquire the property or until "you" report the newly acquired property to "us", whichever occurs first. This coverage does not extend past the end of the policy period.

"You" must pay additional premium due from the date "you" acquire the property.

"We" pay up to the lesser of:

- a. 25% of the "limit" for the covered property; or
- b. \$5,000.

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### PERILS COVERED

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"We" cover direct physical loss to covered property unless the loss is caused by a peril that is excluded. The loss must be due to an external cause.

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### PERILS EXCLUDED

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"We" do not pay for a loss if one or more of the perils excluded below apply to the loss. Such losses are excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded peril.

1. "We" do not pay for loss caused by or that results from:
    - a. **War** -- This means:
      - 1) declared war, undeclared war, civil war, insurrection, rebellion, or revolution;
      - 2) a warlike act by a military force or by military personnel;
      - 3) the destruction, seizure, or use of the property for a military purpose; or
      - 4) the discharge of a nuclear weapon even if it is accidental.
    - b. **Civil Authority** -- This means:
      - 1) seizure or destruction under quarantine or customs regulations;
      - 2) risks of contraband or illegal transportation or trade; or
      - 3) confiscation or destruction by order of a government or public authority. "We" do pay for loss which results from acts of a civil authority to prevent the spread of fire.
    - c. **Nuclear Hazard** -- This means nuclear reaction, nuclear radiation, or radioactive contamination whether controlled or uncontrolled. "We" do not pay for a loss that results from these perils even if it is caused by, contributed to, or aggravated by a peril covered by this policy. A loss caused by these perils will not be considered to be a loss caused by fire, explosion, or smoke. However, "we" do cover loss caused by a fire that results from the nuclear hazard.
  2. "We" do not pay for a loss that results from and which is confined to the following perils:
    - a. normal wear and tear of covered property;
    - b. gradual deterioration of covered property;
    - c. hidden or latent defect in covered property;
    - d. a quality, fault, or weakness in covered property that causes it to damage or destroy itself; or
    - e. insect or vermin damage to covered property.
  3. "We" do not pay for mechanical breakdown or malfunction, component failure, faulty installation, or blowout. However, if loss by fire or explosion results, "we" will pay for the resulting loss.
  4. "We" do not pay for "power supply disturbance" if the cause of such disturbance took place more than 100 feet from the "insured premises".
  5. "We" do not pay for "electrical disturbance" if the cause of such disturbance took place more than 100 feet from the "insured premises".
  6. "We" do not pay for loss caused by or resulting from loss of use, business interruption, delay, or loss of market.
  7. "We" do not pay for loss caused by humidity, dampness, dryness, or changes in or extremes of temperature.
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- ### HOW MUCH WE PAY
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1. **Loss Settlement Provisions** -- The value of covered property is not agreed upon but shall be determined at the time of loss or damage. "We" pay the lesser of the following amounts:
    - a. the actual cash value of the property at the time of loss;
    - b. the amount for which the property could reasonably be expected to be repaired or replaced (to the extent practical) with property substantially identical to the property lost or damaged;
    - c. an amount not greater than the "insured's" interest in the property; or
    - d. the applicable "limit".
  2. **Deductible** – Unless a different deductible is shown to apply to this endorsement, the policy deductible will apply to each loss after all other adjustments have been made.

3. **Loss to Parts** -- If there is a loss to a part of an item that consists of several parts when it is complete, "we" pay only for the value of the lost or damaged part or the cost to repair or replace it.
  
4. **Restoration of Limit** -- The "limit" under this endorsement will not be reduced, except for a total loss of a scheduled item. If a claim is paid for total loss of a scheduled item, the unearned premium applicable to the lost item will be refunded to "you" or applied to the premium due on items replacing those on which the claim was paid.