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Computer Coverage

Old Form # ML-170

New Form # HO 1731

Summary of Changes:

The endorsement covers an insured's computer hardware and software on an open perils basis without the need to schedule such equipment. Computer equipment is subject to the Coverage C Personal Property policy limits for personal records, business property, and any other special limits and restrictions that apply to personal property. The endorsement relies on the general exclusions and loss settlement terms set forth by the underlying policy form and does not restate such exclusions.

The following exclusion have been added or amended in this new form:

Exclusions That Apply To Computer Equipment:

The freezing, discharge, leakage or overflow exclusion has been updated to show that loss caused by those perils is not covered while the described location" is vacant, unoccupied, or under construction and unoccupied.

If the property is protected by an automatic sprinkler system and you have maintained both heat and water supply, then this exclusion will not apply. If no sprinkler system is present, heat must be maintained but water must be turned off and water lines drained for the excluision not to apply.

Theft in or to a residence being built until the residence is occupied for its intended use;

Dampness of atmosphere or extremes of temperature. However, this does not apply to loss caused directly by rain, snow, sleet, or hail;

The endorsement excludes loss caused by a repair, refinishing, or renovation process. However, that exclusion is subject to an exception for fire or explosion that may occur as the result of the process;

The endorsement excludes coverage for loss caused by the collision, sinking, swamping, or stranding of watercraft.

The endorsement excludes loss caused by rust or other corrosion, smog, or smoke from agricultural smudging or industrial operations.

Exceptions To Exclusions That Apply To Computer Equipment:

The endorsement makes an exception for loss caused by accidental discharge or overflow of a plumbing, heating, air-conditioning, or automatic fire protective sprinkling system, water heater, or domestic appliance on the "described location".

The endorsement amends the Exclusions That Apply To Property Coverages as follows:

The earth movement exclusion is deleted;

The endorsement specifies that the references to surface water and water below the surface of the ground in the Water exclusion do not apply to with respect to loss by water at or in the building where the described location is located when loss caused by such water is the result of accidental discharge or overflow of a plumbing system, etc. and is not otherwise excluded by the policy. In addition, a plumbing system or domestic appliance does not include a sump, sump pump, or related equipment or any other type of system designed to remove subsurface water, which is drained from the foundation area.

The endorsement specifies that the Weather Conditions exclusion does not apply with respect to loss caused by

water to computer equipment while away from a premises or location owned by, rented to, occupied by, or controlled by an insured.

Additional Exclusions that Apply to Property Coverages:

The endorsement excludes loss caused by weather conditions that initiate, set in motion, or in any way contribute to a cause or event excluded under the Exclusions That Apply To Property Coverages.

The endorsement excludes loss caused by errors, omissions, and defects.

The proposed endorsement does rely upon the terms of the form to which the endorsement is attached and those forms exclude coverage for property rented or held for rental to others by an insured, with limited exceptions.