



INFORMATION SYSTEMS FLOATER

Refer to Supplemental Declarations if information is not shown on this form.

AGREEMENT

This form is part of Policy No. _____.

We will provide the insurance stated in this form in return for **your** payment of the premium due and **your** compliance with all of the **terms** of this policy. Coverage applies to property owned by **you** or in **your** care, custody or control.

Named Insured: _____.

CAUSES OF LOSS

We insure the described property against covered causes of loss. Covered causes of loss means risks of direct physical loss except as excluded or limited by **your** policy.

DEFINITIONS

1. **Hardware** means machinery and/or apparatus, including, but not limited to, computer equipment or other electronic devices capable of storing, retrieving, processing, disseminating and/or printing information.
2. **Media** means the material on which information is recorded or stored and it includes, but is not limited to, magnetic tapes, hard disks or floppy disks. It does not include the information recorded on the **media**.
3. **Replacement Value** means the cost, in excess of the applicable deductible, to repair or replace the property with new property of equivalent kind and quality, to the extent practicable, without deduction for depreciation.
4. **Software** means programs or data containing the facts, concepts or instructions which are in a form useable by computers and/or other electronic equipment, whether purchased commercially or custom made.
5. **Surge Protection Device** means a transient voltage surge suppression device bearing the Underwriters Laboratory (UL) seal of approval.

BASIS OF LOSS ADJUSTMENT

Unless otherwise provided, covered **hardware** losses will be adjusted on a **replacement value** basis. **We** will pay the lesser of:

1. the applicable amount of insurance shown on the schedule;
2. the amount (in excess of the applicable deductible) actually and necessarily expended to repair or replace the property with property of equivalent kind and quality, to the extent practicable; or
3. the replacement value, (in excess of the applicable deductible) as defined in this form.

Covered losses to **software**, **media** and other non-hardware property will be adjusted on an actual cash value basis.

DEDUCTIBLE

From each claim for loss or damage in a single **occurrence**, **we** will deduct \$ _____.

From each claim for loss or damage arising from systems breakdown coverage, **we** will deduct \$ _____ per **occurrence**. If two deductibles apply to a loss, the largest deductible will be applied.

EXTENSIONS OF COVERAGE

These coverages are automatically included:

1. **Unscheduled software and media** is covered for the lesser of 20% of the total scheduled insurance amount or \$5,000.
2. **Extra expense**, meaning the actual and necessary extra expense to conduct operations on substitute equipment or at substitute locations when necessitated by a covered loss, is covered for the lesser of 20% of the total scheduled insurance amount or \$5,000.
3. **Newly acquired hardware, software or media** is covered for the lesser of 20% of the total scheduled insurance amount or \$5,000. This extension terminates 60 days after purchase unless the newly acquired property is reported to **us** and the additional premium, if any, is paid to **us**.
4. **Hardware, software and media** are covered for the lesser of 20% of the total scheduled insurance amount or \$5,000, when covered loss or damage occurs to the property in transit or temporarily away from **your** premises.

OTHER OPTIONAL EXTENSIONS OF COVERAGE

These coverages are provided only when noted on the Supplemental Declarations and when the required additional premium has been paid:

1. **Utility interruption**, meaning loss or damage to covered property caused by interruption of electric power from an electric utility source away from *your* premises, is covered when the utility interruption manifests itself in tangible physical damage to covered *hardware, software* or *media*. The most that *we* will pay is \$5,000 in any one *occurrence* subject to a \$500 deductible applicable to each *occurrence* of loss or damage. This coverage is conditioned on the presence of an approved *surge protection device* protecting covered *hardware*. No coverage applies under this agreement when *hardware* is not protected by an approved *surge protection device*.
2. **Equipment rental reimbursement**, meaning the reasonable costs of rental of substitute equipment when scheduled equipment is rendered inoperative by a covered cause of loss, is covered for a 30 day period commencing 24 hours after notice of loss is received by *us*. The most that *we* will pay is \$5,000 in any one *occurrence* subject to a limitation of 1/30th of that amount per day and a maximum of 50% of the daily rate for any partial day. Normal operations must be resumed as soon as practicable and rented equipment must be identical or substantially similar to the damaged equipment.
3. **Back up materials**, meaning *media* or *software* stored at locations away from *your* premises, are covered for loss or damage caused by covered causes of loss. *We* will pay up to \$5,000 in any one *occurrence* subject to a \$500 deductible applicable to each *occurrence* of covered loss or damage.
4. **Systems breakdown coverage**, meaning loss or damage caused by mechanical and/or electrical breakdown or magnetic injury, is covered when such loss or damage is caused by an *occurrence* originating on *your* premises. *We* will pay up to \$5000 in any one covered *occurrence*. This coverage is conditioned on the presence of an approved *surge protection device* protecting covered hardware. No coverage applies under this agreement when *hardware* is not protected by an approved *surge protection device*.
5. **Loss of Income**, meaning loss of income resulting directly from the necessary interruption of *your* business by a covered cause of loss, is covered for up to a 30 day period. The deductible does not apply to this agreement.

Under this agreement, income is defined as the sum of:

1. net profit;
2. payroll expenses;
3. taxes;
4. interest;
5. rents and all other necessary operating expenses incurred by the business.

We pay up to \$5,000 for the loss of income which shall be the income *your* business could be reasonably expected to have earned during the period of interruption had no loss occurred less the income *your* business actually earned during that period. In no event will *we* pay more than the reduction in income less charges and expenses which do not necessarily continue during the period. Coverage also applies to expenses *you* incur to reduce loss of income, not otherwise covered by any other agreement in this policy, but only to the extent that they actually reduce *your* loss of income.

You shall make every reasonable effort to resume complete or partial operation as soon as possible and, where practicable, use substitute facilities and property.

We do not pay for any loss of income:

1. resulting from suspension, lapse or cancellation of any lease, license, contract or order.
2. caused directly or indirectly by enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures.
3. caused directly or indirectly by interference at the premises by strikers or other persons with rebuilding, repairing or replacing property or with the resumption or continuation of operations.

PROPERTY THAT IS NOT COVERED

Covered property does not include:

1. mainframe computers and similar equipment that is not portable or transportable in nature.
2. property while on lease to or rented to others and away from *your* premises.
3. *hardware, software, media* or any other property that constitutes *your* merchandise or stock in trade.
4. accounts, bills, deeds, evidences of debt, records, abstracts, currency, bullion, money, notes, securities or manuscripts, excepting those existing in *software* form and only while in that form. Financial documents are covered only as electronic records and not for any monetary or face value.

WHAT WE DO NOT PAY FOR

We do not pay for loss:

1. caused by or that results from errors, omissions or deficiencies in design, specifications, installation, materials or workmanship;
2. caused by or that results from programming errors or incorrectly instructing the *hardware* or *software*;
3. caused by or that results from changes in humidity or temperature;
4. caused by or that results from damage or error during service or repair; however, if fire or explosion results, *we* pay only for damage caused directly by fire or explosion;
5. caused by or that results from artificially generated electrical currents, except for ensuing direct loss by fire or explosion. This exclusion is not applicable when optional additional coverage for **utility interruption** or **systems breakdown coverage** has been purchased;
6. caused by or that results from delay, loss of market, loss of use, suspension, lapse or cancellation of any lease, license or contract or other indirect or consequential loss, excepting **extra expense** as covered in this form;
7. caused by or that results from deterioration, wear, tear, mold, mildew, corrosion, erosion, hidden or latent defect, obsolescence or depreciation;
8. any dishonest, fraudulent or criminal act by *you*, any partner, officer, director, employee or trustee of the *insured*, whether acting alone or in concert with others;
9. magnetic disturbance or erasure of electronically recorded information. This exclusion is not applicable when the optional **systems breakdown coverage** is provided by this form;
10. caused by or that results from war or war like actions, however caused; and
11. caused by or that results from nuclear reaction, radiation or radioactive contamination, however caused.

Such loss or damage, as shown above, is excluded regardless of any other cause or event that contributes concurrently or in any other sequence to the loss or damage.