



LOSS OF INCOME (SPECIAL LIMITATIONS)

The coverage under this endorsement is subject to the *terms* contained in the General Policy Provisions.

In consideration of the rate at which this endorsement is written, it is a condition of this policy that the Loss of Income provision of the Businessowner's Coverage (SF-311) is deleted and replaced by the following:

LOSS OF INCOME

WHAT WE PAY FOR.

We pay for *Loss of Income* when *your* income is interrupted by a covered cause of loss subject to the General Policy Provisions.

The deductible does not apply to this coverage.

We agree to pay for *Loss of Income* directly resulting from interruption of *your business* operations because of a *business* property loss insured under this policy.

We will pay for *Loss of Income* for a period up to 3 (three) months. For the purpose of this coverage, income is defined as the sum of:

- a) net profit;
- b) payroll expenses;
- c) taxes;
- d) interest;
- e) rents; and
- f) all other necessary operating expenses incurred by the *business*.

Your Loss of Income shall be the income *your business* could reasonably be expected to have earned during the period of interruption if no *business* property loss had occurred minus the income *your business* actually earned.

Loss of Income will be paid only for the time reasonably required to rebuild, repair or replace the damaged or destroyed property. The time will begin with the date of such damage or destruction and is not limited by the policy period.

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

LIMITATIONS ON HOW MUCH WE PAY FOR LOSS OF INCOME.

Loss of Income DOES NOT INCLUDE charges and expenses which do not necessarily continue during the time of interruption. Coverage also applies to expenses *you* incur to reduce *Loss of Income*, BUT only to the extent that they actually reduce *your loss of income*.

Coverage is extended for the length of time, not to exceed two (2) consecutive weeks, during which access to *your* place of *business* is prohibited by civil authority. This prohibition must result directly from damage to or destruction of property adjacent to *your* premises and must result from a cause of loss covered by this policy.

We pay for *Loss of Income* when *your* income is interrupted by a covered cause of loss up to twenty (20) percent of *your* Coverage A limit of insurance and/or one hundred (100) percent of *your* Coverage B limit of insurance as shown on the Declarations page or the Supplemental Declarations page.

This provision applies separately to each building covered under this policy and/or *business* property in each covered building.

WHAT WE DO NOT PAY FOR.

We do not pay for:

- a) *loss of income* caused by the suspension, lapse or cancellation of any lease, contract or order.
- b) *loss of income* caused directly or indirectly by enforcement of any local or state ordinance or law regulating the construction, repair, or demolition of buildings or structures.
- c) any claim for *loss of income* due to interference by strikers or other persons with rebuilding, repairing or replacing property, or with the resumption or continuation of operations.