

Updates or Changes to the 2023 Property Coverage Document

Please note, this document is provided as information for Members and Brokers. This summary cannot bind or change coverage – the form governs all coverage provisions. Please refer to the form itself and carefully review it to understand coverage.

1. Changes to coverage

COVERAGE, Subsection 4.AH. (Member Personal Computer Reimbursement) is added, while an official or employee of a **Member** performing job duties up to \$1,500 for the cost of repairing or replacing the Personal Computer and subject to an aggregate reimbursement of \$10,000 for each Member in any one coverage period. A corresponding change is made to the definition of **Business Personal Property**.

2. Changes made to provide necessary clarifications

LIMITS OF COVERAGE, Subsection 1.F. is amended to clarify the application of sublimits in relation to any higher limits on a **Member's** Property or Inland Marine Schedule.

COVERAGE, Subsection 4.F. (Leasehold Agreement) is clarified by reordering paragraphs.

COVERAGE, Subsection 4.N. (Newly Acquired Property) is clarified as follows:

The **Pool** will pay for direct physical loss, damage, or destruction of newly acquired **Real Property** and/or newly acquired **Business Personal Property**, which must be reported to the **Pool** within ninety (90) days of acquisition, construction, erection, or installation, this Coverage N. is subject to the applicable sublimits for newly acquired **Real Property** and/or newly acquired **Business Personal Property** stated herein.

COVERAGE, Subsection 4.O. (Electronic Data Processing Equipment, Electronic Data and Media) is amended to provide clarifications; correct the title of the Coverage Provision O.; delete valuation provisions (moved to new Subsection 17.A.13 (**VALUATION** – Electronic Data and Media); remove redundant paragraph as follows; and insert Electronic Data Processing Equipment to complete the related and pre-existing sublimit, exclusions, and defined phrase is inserted:

The **Pool** will pay for:

1. The direct physical loss or damage to a cost of repairing, restoring, or replacing the Member's Electronic Data Processing Equipment caused by or resulting from a Covered Cause of Loss; and/or
2. The reasonable cost of repairing, restoring, or replacing the **Member's Electronic Data and Media** which has been damaged or destroyed caused by or resulting from a **Covered Cause of Loss**. The **Pool** will not pay to repair, restore, or replace a **Member's Electronic Data** that is damaged, lost, or destroyed if the **Member** has another copy of the **Electronic Data**.

Further, no coverage is afforded for any amount pertaining to the conceptual value of such **Electronic Data** to the **Member** or any other party, even if such **Electronic Data** cannot be recreated, gathered, or assembled.

The most the **Pool** will pay under this Coverage O. is limited to the sublimit stated herein.

COVERAGE, Subsection 4.R. (Off-Site Storage) is amended to remove location text, which was duplicative of the defined term **Premises**.

COVERAGE, Subsection 4.AI. (Contractor's Equipment) is inserted; the coverage is unchanged, but the operative coverage provision is added to complete the related and pre-existing sublimit, exclusions, and defined phrase.

COVERAGE, Subsection 4.AJ. (Underground Pipes) is inserted; the coverage is unchanged, but the operative coverage provision is added to complete the related and pre-existing sublimit and exclusions. Conforming amendments are made to Subsection 5.G.2 (**PROPERTY EXCLUDED**).

SALVAGE AND RECOVERIES, Section 10 is amended to clarify that the net amount of a salvage or recovery is in excess of the loss settlement; and the amendments provide other clarifications.

3. Amended Definitions

COVERAGE, Subsection 4.L. (Valuable Papers and Records) is amended by inserting the full title (both Valuable Papers and Records) and deleting the definition of Valuable Papers from this coverage provision, which are duplicative of Subsection 32.AM. (**DEFINITIONS – Valuable Papers and Records**). Subsection 32.AM. is amended to include the additional types of documents and records that were set forth in the coverage provision definition as follows:

Valuable Papers and ~~&~~ Records means written, printed, or otherwise inscribed documents and records, including but not limited to books, maps, films, negatives, transparencies, original drawings (such as plans, blueprints, specifications, or designs), abstracts, deeds, mortgages, micro-inscribed documents, manuscripts, ~~and Media and the Data recorded thereon~~, but not including **Electronic Data**, prepackaged software programs, **Money**, or **Securities**.

COVERAGE, Subsection 4.AF. (Unmanned Aircraft) is amended by deleting the definition of Unmanned Aircraft from this coverage provision and moving the definition to a new Subsection 32.AJ. (**DEFINITIONS – Unmanned Aircraft**) because **Unmanned Aircraft** is used elsewhere in the Coverage Document.

DEFINITIONS, Subsection 32.B. (Business Personal Property) is amended to provide a definition of tenant improvements and betterments.

A. **Business Personal Property** means property used in the **Member's** operations, other than **Real Property** including:

1. A Member's use interest as tenant in improvements and betterments. Improvements and betterments means the fixtures, alterations, installations or additions made part of the building or structure occupied but not owned by the Member and which is acquired or made at a Member's expense but cannot be legally removed.

DEFINITIONS, Subsection 32.N. (Data) is deleted as a stand-alone definition and incorporated into Subsection 32.O. (Electronic Data) is amended read as follows:

O. **Electronic Data** means:

- ~~Facts, concepts, instructions and data information converted to a form useable for communications, interpretation or processing by electronic and eletromechanical Data process or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of Data or the direction and manipulation of such equipment stored as or on, created or used on, or transmitted to or from software (including systems and applications software), on **Media** which are used with **Electronic Data Processing Equipment**; and/or~~
2. Programming records and electronic instructions which direct the operations and functions of **Electronic Data Processing Equipment**.

DEFINITIONS, Subsection 32.P. (Electronic Data Processing Equipment) is amended read as follows:

P. **Electronic Data Processing Equipment** means the physical elements of a computer that causes the processing of data, including, but not limited to:

- Computers, printers, scanners, any component parts or peripherals of computer equipment, multi-functional telephone equipment, photocopy and facsimile machines, laptop and portable computer and portable electronic devices;
- SCADA (supervisory control and data acquisition);
- Climate control and fire protective equipment used solely in connection with computer hardware, or;

4. Any computer-based equipment, acting as a computer.

DEFINITIONS, Subsection 32.V. (Media) is amended read as follows:

- V. **Media** means all forms of materials upon which **Electronic Data** is recorded including, but not limited to, paper tapes and cards, electronic memory circuits, and magnetic, electronic or optical storage devices.

DEFINITIONS, Subsection 32.AG. (Real Property) is amended read as follows:

AG. **Real Property** means buildings or structures affixed to Land located at a scheduled **Premises** and indicated on the **Member's** Property Schedule, including:

1. Completed additions;
2. Machinery and equipment permanently attached to the building or structure

DEFINITIONS, Subsection 32.V. (Media) is amended read as follows:

4. Changes made for formatting, grammar, or consistency

All inconsistent or missing references to sublimited coverage are inserted, corrected, or clarified.

All inconsistent references in coverage provisions to direct physical loss or damage caused by or resulting from a **Covered Cause of Loss** are inserted, corrected, or clarified.

All inconsistent or missing references section titles are inserted, corrected, or clarified.

All inconsistent internal references are made uniform, parenthetical titles are inserted when internal references that are not in context, other internal references are made consistent for better comprehension, and any necessary corrections are made to internal reference numbers or letters.

All coverage provisions edited to remove sentence fragments and to insert the active voice ("The **Pool** will pay..." or similar). See, for example, **COVERAGE**, Subsection 4.D. (Property in Transit).

Other minor, non-substantive grammar or formatting changes are made for purposes of consistency.

5. Changes to related endorsements

Fire District Guaranteed Replacement Cost Valuation Endorsement: amended to specify that portable equipment is valued at Guaranteed Replacement Cost by inclusion of property on the inland marine schedule (but, as with other property, must be scheduled and kept current).