

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COVERED PROPERTY LEASED OR RENTED FROM OTHERS**

This endorsement modifies insurance provided under the following:

### **CONTRACTORS' EQUIPMENT COVERAGE FORM**

The following is added to section VI, Supplemental Coverages:

#### **Covered Property Leased or Rented From Others**

##### **1. Coverage**

"We" cover direct physical loss or damage caused by a covered peril to "contractors' equipment" that "you" have rented or leased from others.

##### **2. How Much We Pay**

"We" pay only that part of "your" direct physical loss or damage to covered property over the Deductible amount indicated on the Declarations, up to the limit also shown in the Declarations, in any one occurrence.

##### **3. Reporting Conditions**

###### **a. Reports**

- (1) Within 30 days after the end of the policy period, "you" will report to "us" the total amount of "your" expenditures for "contractors' equipment" that "you" have leased or rented from others.
- (2) If this policy is cancelled "you" will report the total amount of expenditures up to and including the date of cancellation.
- (3) If there is a loss, "we" may request a report of "your" total amount of expenditures for one month prior to the loss.
- (4) "We" may request a report of the total amount of expenditures as they relate to this policy at any time during the policy period and up to three years afterward.

###### **b. Premium Computation and Adjustment**

- (1) The premium will be adjusted at the end of the policy period. The total computed premium will be determined by multiplying "your" total expenditures by the rate indicated on the Declarations.
- (2) "We" will compare the total computed premium to the deposit premium. If it is more than the deposit premium, "you" will pay "us" the difference. If it is less than the deposit premium, "we" will pay you the difference subject to the minimum premium indicated on the Declarations.

###### **c. Provisions that Affect How Much We Pay**

The following provisions apply to reports that are submitted and may affect How Much We Pay:

- (1) If "you" have failed to submit the required reports or no report has been submitted, the most "we" will pay for direct physical loss caused by a covered peril is 70% of the "limit".
- (2) If "your" last report before a loss shows less than the actual value of "your" expenditures for "contractors' equipment" that "you" have leased or rented; "we" will only pay a part of the loss. "We" will not pay a greater portion of the loss, prior to the application of the deductible, than the total expenditures "you" reported divided by "your" actual expenditures for "contractors' equipment" that "you" lease or rent from others during the reporting period.
- (3) "We" will not pay more than the applicable "limit" regardless of any reported value used in computing the premium.

All other terms and conditions of this policy remain unchanged.