



501 E. Kennedy Blvd, Suite 775  
Tampa, FL 33602  
(813) 295-6365  
[www.Crestwelluw.com](http://www.Crestwelluw.com)

LAGO DEL REY NORTH CONDOMINIUM  
ASSOCIATION, INC.  
C/O TEEM PROPERTY MANAGEMENT LLC  
Boca Raton, FL, 33487  
Notice Date: 04/17/2026  
Policy Number: CRMIC-CRES00000066-01

**HUB International Midwest Limited**  
1900 N 9th Ave  
Pensacola, FL, 32503-4536  
HUB International Midwest Limited  
  
Producing Agent # CW0109-01

**Thank you for choosing Crestwell Underwriters.**

We are pleased to welcome you as a valued client, and we are honored you have chosen us to protect your community's property.

Your property is insured with Mainsail insurance Company, rated AM Best A- and is administered by us at Crestwell Underwriters. The financial strength of Mainsail combined with Crestwell's commitment to service ensures your property is well protected if the unfortunate event should occur and your association suffers damage from any covered loss.

**Review your insurance policy.**

A complete copy of your Commercial Residential insurance policy is included in this packet. We encourage you to review and verify the accuracy of all enclosed information to ensure it meets the needs of your community. This packet includes the following documents:

- **Policy Declarations:** The policy declarations section contains important details about your policy, including the policyholder's name, the policy coverage limits, the policy term, and the location and structures insured by this policy.
- **Policy Endorsements:** Your policy is an insurance contract, included in your policy are the terms and conditions of your coverage. Your endorsements are amendments that may add, delete, limit or exclude coverage(s).
- **Important Notices:** These notices highlight particularly important coverages, policy changes and discounts.

**To report a claim:**

If the unfortunate event occurs and you suffer a loss, please notify your agent and contact our claims team. They can be reached by phone or email.

**Call: (888) 563-4088**

**Email: [crestwell@ryzeclaims.com](mailto:crestwell@ryzeclaims.com)**

Your complete satisfaction is our priority. If you have any questions regarding this policy which your producing agent is unable to answer, please contact us via email at [info@crestwelluw.com](mailto:info@crestwelluw.com) or call us at (813) 295-6365.

We are confident that you will be completely satisfied with your choice of Crestwell and Mainsail Insurance Company as your property insurance provider and we look forward to serving your community for many years to come.

Thank you for your trust and your business!

Sincerely,

Crestwell Underwriters & Mainsail Insurance Company

**Mainsail Insurance Company**  
177 Madison Avenue, Suite 1004  
Morristown, New Jersey 07960

## **INSURANCE POLICY**

**ADMINISTERED BY:**  
**CRESTWELL UNDERWRITERS LLC**  
501 E. Kennedy Blvd, Suite 775  
Tampa, FL 33602

***COMMERCIAL RESIDENTIAL  
MULTI-PERIL POLICY***

### **Important Notice**

**PLEASE READ THE ENCLOSED POLICY AND ENDORSEMENT(S)  
CAREFULLY. THIS POLICY JACKET WITH THE DECLARATIONS PAGE,  
COVERAGE PARTS, AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART  
THEREOF, COMPLETES THIS POLICY.**

**The policy itself sets forth the rights and obligations of both you and the  
insurance company.**



LAGO DEL REY NORTH CONDOMINIUM  
ASSOCIATION, INC.  
C/O TEEM PROPERTY MANAGEMENT LLC  
Boca Raton, FL 33487

## YOUR POLICY DECLARATIONS

Insurance provided by Crestwell Underwriters

**POLICY TYPE:** Commercial Residential - Multi-Peril

**POLICY NUMBER:**

**POLICY TERM EFFECTIVE:** 04/28/2026

**POLICY TERM EXPIRATION:** 04/28/2027

12:01 AM Standard Time at the Insured Premises

**INSURED NAME:**

LAGO DEL REY NORTH CONDOMINIUM ASSOCIATION, INC.

**PRODUCING AGENT:**

HUB International Midwest Limited  
1900 N 9th Ave  
Pensacola, FL 32503-4536  
Producing Agent #: CW0109-01  
Phone Number: (850) 432-9912

### Crestwell Underwriters

501 E Kennedy Blvd Suite, 775, Tampa, FL 33602

### Renewal Declarations

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED.  
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENTS.

**Coverage Cause of Loss** Special

COVERAGES	PREMIUM
Commercial Property Premium	\$43,897.00
Hurricane Premium	\$28,348.00
TRIA	\$1,032.00
Equipment Breakdown	\$483.00
Ordinance or Law	\$10,800.00
<b>TOTAL POLICY PREMIUM</b>	<b>\$72,728.00</b>
<b>FEES AND TAXES</b>	
Emergency Management Preparedness Fee	\$4.00
State Fire Marshal Regulatory Assessment	\$109.09
Florida Insurance Guaranty Association (FIGA) Assessment	\$727.28
Inspection Fee*	\$750.00
Policy Fee*	\$25.00
<b>TOTAL PREMIUM, TAXES AND FEES</b>	<b>\$74,343.37</b>
<b>TOTAL LIMIT OF LIABILITY</b>	<b>\$12,062,900.00</b>

\*Fees are fully earned and nonrefundable.

DEDUCTIBLES	
<b>Hurricane</b>	<b>5% Per Calendar Year</b>
All Other Perils	\$2,500.00 Per Occurrence
Sinkhole	10% Per Occurrence
All Other Wind/Hail Perils	N/A

COVERAGE OPTIONS	
Equipment Breakdown	Included
Sinkhole	Included
TRIA	Included
Sprinkler Leakage Exclusion	Included
Vandalism Exclusion	Excluded

Continued on next page

**INSURED NAME:**LAGO DEL REY NORTH CONDOMINIUM ASSOCIATION,  
INC.**YOUR POLICY DECLARATIONS**

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**COVERAGE OPTIONS**

Theft Exclusion	Excluded
Inflation Guard	2%
Windstorm or Hail Exclusion	Excluded
Catastrophic Ground Cover Collapse	Included
Ordinance or Law Coverage	Included

**FORM(S) AND ENDORSEMENT(S) MADE A PART OF THIS POLICY AT TIME OF ISSUE:**

CWU N004	Privacy Notice
CP 00 17	Condominium Association
CP 00 90	Commercial Property Conditions
IL 09 35	Exclusion of Certain Computer – Related Losses
CP 01 40	Exclusion of Loss Due to Virus or Bacteria
CWU 01 75	Florida Changes – Legal Action Against Us
CWU 01 91	Florida Changes – Residential Condominium Associations
IL P 001	U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) Advisory Notice to Policyholders
CWU 12 09	Windstorm Protective Devices
CP 10 30	Causes of Loss-Special Form
CWU 14 20	Additional Changes – Property Not Covered
CWU CR 01 25	Florida Changes
CWU 02 55	Florida Changes – Cancellation and Nonrenewal
IL 09 85	Disclosure Pursuant to Terrorism Risk Insurance Act
CWU 04 01	Florida – Sinkhole Loss Coverage
CWU 04 05	Ordinance or Law Coverage
CWU SOLC	Ordinance Or Law Coverage Schedule
CP 12 70	Joint Or Disputed Loss Agreement
CP 14 10	Additional Covered Property
CWU 10 56	Sprinkler Leakage Exclusion
CWU CPPC	Florida - Claim Payment Provision - Condominium
CWU EDEE	Existing Damage Exclusion Endorsement
CWU SDO	Sinkhole Deductible Selection
CWU TOC CA	Table of Contents
CCP 037	Equipment Breakdown Enhancement Endorsement
CWU 00 02	Property Enhancement Endorsement

**INSURED NAME:**LAGO DEL REY NORTH CONDOMINIUM ASSOCIATION,  
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THESE DECLARATIONS, TOGETHER WITH THE **COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART DECLARATIONS FORM(S) AND FORMS AND ENDORSEMENTS**, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

<b>COVERAGES PROVIDED</b> Insurance at the Described Premises Applies Only For Which A Limit of Insurance is shown.					
<b>LOCATION SCHEDULE:</b>					
<b>Described Location Premises</b>			<b>Limit of Insurance</b>		
<b>Location No.</b>	<b>Structure No.</b>	<b>Address</b>	<b>Building</b>	<b>Contents</b>	<b>Other</b>
1	1	2840 CASA WAY, Delray Beach, FL 33445-8751	\$2,026,700.00	\$0.00	
1	2	2725 CASITA WAY, Delray Beach, FL 33445-4509	\$2,213,000.00	\$0.00	
1	3	2805 CASITA WAY, Delray Beach, FL 33445-4568	\$2,238,400.00	\$0.00	
1	4	2720 CASA WAY, Delray Beach, FL 33445-4545	\$848,600.00	\$0.00	
1	5	2755 CASITA WAY, Delray Beach, FL 33445-4512	\$2,213,000.00	\$0.00	
1	6	2825 CASITA WAY, Delray Beach, FL 33445-4597	\$2,238,400.00	\$0.00	
1	7	2720 CASA WAY, Delray Beach, FL 33445-4545			\$284,800.00

**INSURED NAME:**LAGO DEL REY NORTH CONDOMINIUM ASSOCIATION,  
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<b>COVERAGES ON STRUCTURE:</b>						
<b>Location No.</b>	<b>Structure No.</b>	<b>Address</b>	<b>Building Value</b>	<b>Roof Value</b>	<b>Coinsurance</b>	
1	1	2840 CASA WAY, Delray Beach, FL 33445-8751	\$2,026,700.00	Replacement Cost	Agreed Value	
1	2	2725 CASITA WAY, Delray Beach, FL 33445-4509	\$2,213,000.00	Replacement Cost	Agreed Value	
1	3	2805 CASITA WAY, Delray Beach, FL 33445-4568	\$2,238,400.00	Replacement Cost	Agreed Value	
1	4	2720 CASA WAY, Delray Beach, FL 33445-4545	\$848,600.00	Replacement Cost	Agreed Value	
1	5	2755 CASITA WAY, Delray Beach, FL 33445-4512	\$2,213,000.00	Replacement Cost	Agreed Value	
1	6	2825 CASITA WAY, Delray Beach, FL 33445-4597	\$2,238,400.00	Replacement Cost	Agreed Value	
1	7	2720 CASA WAY, Delray Beach, FL 33445-4545			Agreed Value	

**INSURED NAME:**

LAGO DEL REY NORTH CONDOMINIUM ASSOCIATION,  
INC.

**YOUR POLICY DECLARATIONS**

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**Important Coverage Information**

**THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.**

**YOUR POLICY PROVIDES COVERAGE FOR A CATASTROPHIC GROUND COVER COLLAPSE THAT RESULTS IN THE PROPERTY BEING CONDEMNED AND UNINHABITABLE. OTHERWISE, YOUR POLICY DOES NOT PROVIDE COVERAGE FOR SINKHOLE LOSSES. YOU MAY PURCHASE ADDITIONAL COVERAGE FOR SINKHOLE LOSSES FOR AN ADDITIONAL PREMIUM.**

Authorized By:

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**If you have any questions regarding this policy which your producing agent is unable to answer, please contact us at 1-800-CRESTWELLUW.**

## **NOTICE of CHANGE IN POLICY TERMS**

**The purpose of this Notice of Change in Policy Terms is to inform you of changes to the terms, coverages, duties, and conditions of your renewal policy. If you choose to accept our renewal offer, you should carefully review the changes described below along with the enclosed policy. Please contact your agent if you have any questions regarding these changes. Receipt by the Company of premium payment for your renewal policy will be deemed acceptance of the new policy terms by the named insured.**

Line Commercial Property is added to policy.

Location #1 located at 2840 CASA WAY, Delray Beach FL 33445-8751 is added to policy.

Form added: CWU1209 - Windstorm Protective Devices

This policy jacket with the Declarations Page, Coverage Parts, and Endorsements,  
if any, issued to form a part thereof, completes this policy.

POLICY JACKET (BACK)

# PRIVACY NOTICE

Protecting the privacy and confidentiality of information about our customers is very important to us. While information is the cornerstone of our ability to provide superior insurance products, our most important asset is our customers' trust. Accordingly, we limit the collection and use of customer information to the minimum we require in delivering superior products and services. This Privacy Notice includes examples of the types of nonpublic personal information we collect and the kinds of companies with whom we may share such information. **You do not need to do anything in response to this notice. This notice is merely to inform you about how we safeguard your information.**

## **Information We Collect**

We know that you expect us to conduct and process your business in a manner that is both accurate and efficient. To do so, we gather nonpublic personal information about you, as permitted by law, that is pertinent to the underwriting or claims investigation process, such as:

- Your name, address, telephone number, social security number, age, and employer;
- Prior insurance coverage, claims history, premiums, and payment history;
- Information from consumer reporting agencies, public records, and data collection agencies;
- Data from consumer electronic devices in relation to the underwriting or claims investigation process.

## **Information We May Disclose**

In general, we do not disclose any nonpublic personal information about our customers or former customers to anyone, except for information that we may be required by law to disclose. We may, however, disclose nonpublic personal information to third parties who provide customer service or other administrative services for your account. We may also disclose your nonpublic personal information to companies that provide marketing services on our behalf or to other companies with whom we have joint marketing agreements, as permitted by law.

Additionally, we may also disclose nonpublic personal information to affiliates, which may include attorneys, Certified Public Accountants, investment companies, underwriters, and others who perform business or professional services for our company. We require all third-party service providers to keep your information confidential and protected, and to maintain safeguards which comply with all applicable regulatory standards to guard your nonpublic personal information against unauthorized disclosure.

Finally, we may disclose information in response to requests from law enforcement or other governmental agencies or state insurance regulatory authorities. We are required by law to honor these requests.

## **Security of Your Information**

To safeguard your nonpublic personal information, we limit access to our customers' nonpublic personal information to only those employees who need access to the information to perform their

job functions. Additionally, we insist that third parties that perform services for us limit access to your personal information to authorized employees and agents, and maintain appropriate administrative, physical, electronic, and procedural safeguards. Additionally, these third parties are under contractual obligations of confidentiality to us and are not permitted to use your data for any other purposes than the services they are performing for us.

### **Personal Information Accessibility and Correction**

If you are a resident of Connecticut, Georgia, New Jersey, or North Carolina, you have the right to access and correct the personal information that we have collected from or about you. Please contact us and we will make necessary changes. If the information was provided to us by a third party (such as a credit rating agency) we will provide you with the third party's contact information. If you do not live in one of the aforementioned states, we will always take reasonable steps to verify the accuracy of your personal information in our records.

### **Changes to this Privacy Notice**

We reserve the right to modify this Privacy Notice at any time. If we make material changes, we will provide a revised Privacy Notice. If we modify this Privacy Notice such that the use of your personally identifiable information is different from what was stated in our Privacy Notice at the time your data was collected, we will notify you. You will be able to opt out of any new uses of your previously disclosed information. Your information will be used in accordance with the Privacy Notice in effect when your information was collected.

### **The Crestwell Underwriters LLC Website**

Our website also has a privacy notice, which can be found on our website via the following link: <https://crestwelluw.com>. Always be aware of the risks when transmitting nonpublic personal information over the internet.

This Privacy Notice was last revised December 2024.

# CONDOMINIUM ASSOCIATION COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H., Definitions.

## A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

### 1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, outside of individual units, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and

(6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

(a) Fixtures, improvements and alterations that are a part of the building or structure; and

(b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(6)** above.

**b. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

- (1) Personal property owned by you or owned indivisibly by all unit-owners;
- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
- (3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

But Your Business Personal Property does not include personal property owned only by a unit-owner.

**c. Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;

n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data;

- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops; or
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs, or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes Of Loss Form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

(1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph (4), the following provisions apply:

(a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

(4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

### (5) Examples

The following examples assume that there is no Coinsurance penalty.

#### EXAMPLE #1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

## EXAMPLE #2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 30,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$ 10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

### b. Preservation Of Property

If it is necessary for you to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

### c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

### d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

### e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

(b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

(a) We will not pay for the Increased Cost of Construction:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

#### f. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

- (3)** The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
- (a)** If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
  - (b)** If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
  - (c)** If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
  - (d)** The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4)** The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

You may extend the insurance that applies to Building to apply to:

- (a)** Your new buildings while being built on the described premises; and
- (b)** Buildings you acquire at locations, other than the described premises, intended for:
  - (i)** Similar use as the building described in the Declarations; or
  - (ii)** Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

#### (2) Your Business Personal Property

- (a)** If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i)** Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (ii)** Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
  - (iii)** Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b)** This Extension does not apply to:
  - (i)** Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**(3) Period Of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

#### **e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

#### **f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

#### **B. Exclusions And Limitations**

See applicable Causes Of Loss Form as shown in the Declarations.

#### **C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

#### **D. Deductible**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

### EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building #1:	\$ 60,000
Limit of Insurance – Building #2:	\$ 80,000
Loss to Building #1:	\$ 60,100
Loss to Building #2:	\$ 90,000

The amount of loss to Building #1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

\$ 60,100
– 250
<u>\$ 59,850</u> Loss Payable – Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

### EXAMPLE #2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building #2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building #1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building #2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

## E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

### 1. Abandonment

There can be no abandonment of any property to us.

### 2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

### 3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
  - (1) Notify the police if a law may have been broken.
  - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

(6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

(1) Pay the value of lost or damaged property;

(2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;

(3) Take all or any part of the property at an agreed or appraised value; or

(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

d. We will not pay you more than your financial interest in the Covered Property.

e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage to Covered Property within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

(1) We have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

## 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## 6. Unit-owner's Insurance

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary, and not to contribute with such other insurance.

## 7. Vacancy

### a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
  - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
  - (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
    - (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
    - (ii) Used by the building owner to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

### b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;
  - (c) Building glass breakage;
  - (d) Water damage;
  - (e) Theft; or
  - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## 8. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in **b.** and **c.** below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

  - (1) Awnings or floor coverings;
  - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
  - (3) Outdoor equipment or furniture.
- c. Glass at the cost of replacement with safety-glazing material if required by law.

## 9. Waiver Of Rights Of Recovery

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.

## F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property. Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

### EXAMPLE #1 (UNDERINSURANCE)

When: The value of the property is: \$ 250,000  
The Coinsurance percentage for it is: 80%  
The Limit of Insurance for it is: \$ 100,000  
The Deductible is: \$ 250  
The amount of loss is: \$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

### EXAMPLE #2 (ADEQUATE INSURANCE)

When: The value of the property is: \$ 250,000  
The Coinsurance percentage for it is: 80%  
The Limit of Insurance for it is: \$ 200,000  
The Deductible is: \$ 250  
The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 ( $\$40,000$  amount of loss minus the deductible of \$250).

b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

### EXAMPLE #3

When: The value of the property is:  
Building at Location #1: \$ 75,000  
Building at Location #2: \$ 100,000  
Personal Property at Location #2: \$ 75,000  
\$ 250,000

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is: \$ 180,000

The Deductible is: \$ 1,000

The amount of loss is:

Building at Location #2: \$ 30,000

Personal Property at Location #2: \$ 20,000  
\$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$   
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

## 2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

### 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

## EXAMPLE

If: The applicable Limit of Insurance is: \$ 100,000  
The annual percentage increase is: 8%  
The number of days since the beginning of the policy year (or last policy change) is: 146  
The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 =$  \$ 3,200

### 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence; or
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

Under the terms of this Replacement Cost Optional Coverage, personal property owned indivisibly by all unit-owners, and the property covered under Paragraph **A.1.a.(6)** of this Coverage Form, are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;

- (2) The cost to replace the lost or damaged property with other property:

- (a) Of comparable material and quality; and

- (b) Used for the same purpose; or

- (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

### 4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.
- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

### H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

# COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

## A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

## B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

## C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

## D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

## E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

## F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

## G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

## H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

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

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1)** Computer hardware, including micro-processors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of any computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or
    - b.** In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.  
  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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

## **FLORIDA CHANGES – LEGAL ACTION AGAINST US**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following replaces COMMERCIAL PROPERTY CONDITION **D. Legal Action Against Us** in Form **CP 00 90**:

### **D. LEGAL ACTION AGAINST US**

If the Named Insured, the “claimant”, or the “claimant’s” attorney and/or other representatives, including any public adjusters engaged on the behalf of the “claimant”, and we fail to agree on a settlement regarding the loss, as a condition precedent to filing suit, the above-named parties must:

1. Provide the Florida Department of Financial Services (“the Department”) written notice of intent to initiate litigation on a form provided by the Department. Such notice must be given at least 10 business days before filing suit under the policy, but may not be given before the insurer has made a determination of coverage under Florida law. Notice to the insurer will be provided by the Department. The notice must state with specificity all of the following information:
  - a. That the notice is provided pursuant to this section;
  - b. The alleged acts or omissions of the insurer giving rise to the suit, which may include a denial of coverage;
  - c. If provided by an attorney or other representative, that a copy of the notice was provided to the “claimant”;
  - d. If the notice is provided following a denial of coverage, an estimate of damages, if known; and
  - e. If the notice is provided following acts or omissions by the insurer other than denial of coverage, both of the following:
    - (1) The “presuit settlement demand”, which must itemize the damages, attorney fees, and costs; and
    - (2) The “disputed amount”;
2. Fully comply with all the terms of this Policy; and
3. Participate in Appraisal as outlined in the Policy.

Documentation to support the information provided in the notice may be provided along with the notice to the insurer.

No action can be brought against us unless there has been full compliance with all of the terms under this Policy applicable to the “claimant” and the “claimant” serves notice of intent to initiate litigation within 5 years after the date of loss. However, the notice is not required if the suit is a counterclaim. Service of a notice tolls time limits provided in Florida law for 10 business days if such time limits will expire before the end of the 10-day notice period.

We will respond in writing and by e-mail, if designated by the insured, within 10 business days after receiving the notice.

If responding to a notice served following a denial of coverage, we will respond by:

1. Accepting coverage;
2. Continuing to deny coverage; or
3. Asserting the right to reinspect the damaged property.

If we respond by asserting the right to reinspect the damaged property, we have 14 business days after the response asserting that right to reinspect the property and accept or continue to deny coverage. The time limits provided in Florida law are tolled during the reinspection period if such time limits expire before the end of the reinspection period.

If we continue to deny coverage, the “claimant” may file suit without providing additional notice.

If responding to a notice alleging an act or omission other than a denial of coverage, we will respond by:

1. Making a settlement offer; or
2. Requiring the “claimant” to participate in appraisal or another method of alternative dispute resolution.

The time limits provided in Florida law are tolled as long as appraisal or alternative dispute resolution is ongoing if such time limits expire during the appraisal process or dispute resolution process.

The “claimant” or “claimant’s” attorney may file suit without any additional notice if appraisal or alternative dispute resolution process is not concluded within 90 days after the expiration of the 10-day notice of intent to initiate litigation.

#### DEFINITIONS

“Claimant” means an insured who is filing suit under a residential or commercial property insurance policy.

“Disputed Amount” means the difference between the “claimant’s” “presuit settlement demand”, not including attorney fees and costs listed in the demand, and the insurer’s “presuit settlement offer”, not including attorney fees and costs, if part of the offer. “Presuit Settlement Demand” means the demand made by the “claimant” in the written notice of intent to initiate litigation as required by Florida law. The demand must include the amount of reasonable and necessary attorney fees and costs incurred by the “claimant”, to be calculated by multiplying the number of hours actually worked on the claim by the “claimant’s” attorney as of the date of the notice by a reasonable hourly rate.

“Presuit Settlement Offer” means the offer made by the insurer in its written response to the notice as required by Florida law.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**FLORIDA CHANGES – RESIDENTIAL CONDOMINIUM ASSOCIATIONS**

This endorsement modifies insurance provided under the following:

**CONDOMINIUM ASSOCIATION COVERAGE FORM**

Building section **A.1.a.** is replaced by the following:

**a.** Building, meaning the building or structure described in the Declarations, including:

- (1)** Your additions, alterations and repairs;
- (2)** Fixtures, outside of individual units, including outdoor fixtures;
- (3)** Permanently installed:
  - (a)** Machinery and
  - (b)** Equipment;
- (4)** Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a)** Fire extinguishing equipment;
  - (b)** Outdoor furniture;
  - (c)** Floor coverings; and
  - (d)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5)** If not covered by other insurance, your materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure;
- (6)** Air conditioning and heating equipment, including air conditioning compressors, used to service any part of the building or structure, including individual units and the limited common elements;
- (7)** Any other portion of the condominium property outside of individual units, including your improvements, additions and alterations;

- (8)** Your fixtures, improvements, additions and alterations that are part of the building or structure and contained within the boundaries of an individual unit; and
- (9)** Additional property as described in the Schedule, or in the Declarations.

But Building does not include:

- (1)** Floor coverings, wall coverings and ceiling coverings, including but not limited to, baseboards, molding, sills, doors, and other similar items, located within the boundaries of an individual unit and which serve only such unit;
- (2)** Electrical fixtures, appliances, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing which are located within the boundaries of an individual unit and which serve only such unit;
- (3)** Fixtures, improvements, additions and alterations including but not limited to, baseboards, molding, sills, interior doors, and other similar fixtures, installed or replaced by a unit owner or the tenant of a unit, which are located within the boundaries of an individual unit and which serve only such unit;
- (4)** Any personal property within individual units or limited common elements, except as provided in Paragraph **a.(6)** above;

With respect to coverage provided under this Coverage Form, such coverage will be provided for all portions of the condominium property as originally installed or replaced with like kind and quality, in accordance with the original plans and specifications.

With respect to Replacement Cost coverage provided under this Coverage Form, the property described in Paragraph **a.(6)** of this endorsement is not considered to be the personal property of others.

With respect to coverage provided under this Coverage Form, we waive our rights to recover payment from any unit owner of the Condominium Association that is shown in the Declarations.

With respect to coverage provided under this Coverage Form, a unit owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary, and not to contribute with such other insurance.

When the **Causes Of Loss-Windstorm Or Hail Form** is made part of this policy, coverage provided under this Coverage Form does not cover any loss to the Condominium Association by reason of a deductible incurred by or applied to it under other insurance covering the same loss or by reason of the failure by the Condominium Association to obtain other insurance.

All other provisions of this policy apply.

# U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

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

## **WINDSTORM PROTECTIVE DEVICES**

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART

**A.** For the premium charged:

**1.** We acknowledge the installation of storm shutters or other windstorm protective devices, reported by you to us, that protect all exterior wall and roof openings, including doors, windows, skylights and vents, other than soffit and roof ridge vents, that are part of all buildings located at the premises described in the Schedule.

**2.** You agree to:

**a.** Maintain each storm shutter or other windstorm protective device in working order;

**b.** Close and secure all storm shutters or other windstorm protective devices when necessary or arrange for others to do so in your absence; and

**c.** Let us know promptly of:

**(1)** The alteration, disablement, replacement, or removal of, or significant damage to, any storm shutter or other windstorm protective device; or

**(2)** Any alterations or additions to existing buildings or the construction of any new buildings;

at the premises described in your Declarations.

**B.** While your failure to comply with any of the conditions in A.2. above will not result in denial of a claim for loss caused:

**1.** By Windstorm or Hail; or

**2.** "Windstorm" loss caused by a "hurricane";

we reserve the right to discontinue the benefits of this endorsement, including any related premium credit, in the event of such failure.

For purposes of **B.2.** above, the following definition applies:

"Windstorm"

"Windstorm" means wind, wind gusts, hail, rain, tornadoes, or cyclones caused by or resulting from a "hurricane".

All other provisions of this policy apply.

## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G.**, Definitions.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section **B.**, Exclusions; or
2. Limited in Section **C.**, Limitations; that follow.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

#### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
    - (1) Electrical or electronic wire, device, appliance, system or network; or
    - (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or micro-waves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or
  - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.

k. Collapse, including any of the following conditions of property or any part of the property:

- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, **k.**, does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b) To collapse caused by one or more of the following:
  - (i) The "specified causes of loss";
  - (ii) Breakage of building glass;
  - (iii) Weight of rain that collects on a roof; or
  - (iv) Weight of people or personal property.

l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

##### a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

#### **b. Leasehold Interest Coverage Form**

(1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

(a) Your cancelling the lease;

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

#### **c. Legal Liability Coverage Form**

(1) The following exclusions do not apply to insurance under this Coverage Form:

(a) Paragraph **B.1.a.**, Ordinance Or Law;

(b) Paragraph **B.1.c.**, Governmental Action;

(c) Paragraph **B.1.d.**, Nuclear Hazard;

(d) Paragraph **B.1.e.**, Utility Services; and

(e) Paragraph **B.1.f.**, War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

#### **(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

(i) Your assumption of liability was executed prior to the accident; and

(ii) The building is Covered Property under this Coverage Form.

#### **(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

### **5. Additional Exclusion**

The following provisions apply only to the specified property.

#### **LOSS OR DAMAGE TO PRODUCTS**

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

### C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
  - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
  - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
  - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
  - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- a. Animals, and then only if they are killed or their destruction is made necessary.
- b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

(1) Glass; or

(2) Containers of property held for sale.

- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

(1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

a. \$2,500 for furs, fur garments and garments trimmed with fur.

b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.

c. \$2,500 for patterns, dies, molds and forms.

d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
  - (1) A cause of loss listed in **2.a.** or **2.b.**;
  - (2) One or more of the "specified causes of loss";
  - (3) Breakage of building glass;
  - (4) Weight of people or personal property; or
  - (5) Weight of rain that collects on a roof.

3. This **Additional Coverage – Collapse** does **not** apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in **D.1.** through **D.7.**

**E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
  - a. A "specified cause of loss" other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.  
If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.

- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## F. Additional Coverage Extensions

### 1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### 2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **F.3.**, does not increase the Limit of Insurance.

## G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.

- b.** Falling objects does not include loss or damage to:
  - (1)** Personal property in the open; or
  - (2)** The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c.** Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

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

## **ADDITIONAL PROPERTY NOT COVERED**

This endorsement modifies insurance provided under the following:

### **CONDOMINIUM ASSOCIATION COVERAGE FORM**

The following is added to PROPERTY NOT COVERED:

#### **Description of Property**

1. Awnings, gazebos, canopies, cabanas and pavilions of fabric or slat construction, including their supports.
2. Billboards, Signs (not on buildings) of any construction type.
3. Bleachers.
4. Bus Stop Shelter(s).
5. Carport(s).
6. Dumpster Enclosure(s).
7. Electronic Transmission Equipment.
8. Exhibit stands in the open.
9. Fence/Walls of any construction type.
10. Fire Alarm Boxes and Other Similar Equipment.
11. Mailbox Kiosk.
12. Pool, Pool Access Equipment, Pool Access Equipment (with Electronics), Pool Pumps and Equipment and Spa/Jacuzzi, unless specifically scheduled in the Declarations.
13. Pump House.
14. Recreational Court and Recreational Fence.
15. Screened Enclosure.
16. Solar Panels.
17. Street Lights, Street Signs and Traffic Signals.
18. Tents.
19. Property stored in open yards.
20. Vending machines or their contents.
21. "Stock".
22. Radio or television antennas or aerials, satellite dish (including lead-in wiring, masts or towers and their support) unless specially scheduled in the declarations or Endorsement CP 14 50.
23. Any structure including the personal property contained within or on the structure, located in whole or in part over water.
24. Dune Crossovers.

#### **THE FOLLOWING PROPERTY IS NOT COVERED IF DAMAGE IS CAUSED BY WINDSTORM OR HAIL:**

1. Any structure or attachment, whether attached or separate from the covered building, where that structure's roof coverings are of screen, fabric, thatch, lattice, or slats and similar material; or  
Where the structure's exterior wall coverings are of fabric, thatch, lattice, or slats and similar material.
2. Greenhouses, Glasshouses, Hothouses, Slathouses, Trellises, Chickees, Gazebos, Pergolas, Cabanas and Tiki huts; or  
Similar structures and personal property contained within or on these structures.

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

## **FLORIDA CHANGES**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE  
COMMERCIAL PROPERTY CONDITIONS  
COMMON POLICY CONDITIONS

**A. Coverage A., 1. Covered Property, 1.a. Building, paragraph 1.a.(4), is deleted and replaced by the following:**

**(4)** Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

**(a)** Fire-extinguishing equipment;

**(b)** Floor coverings;

**(c)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units; and

**(d)** Outdoor furniture. However, outdoor furniture is not covered if loss or damage occurs during a "hurricane", unless the loss or damage to the furniture occurs while the furniture is located in an enclosed building;

**B. Additional Coverages 4.a., Debris Removal, is deleted and replaced by the following:**

### **4. Additional Coverages**

#### **a. Debris Removal**

**(1)** Subject to Paragraphs **(3)** and **(4)**, we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period.

The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

**(2)** Debris Removal does not apply to costs to:

**(a)** Extract "pollutants" from land or water; or

**(b)** Remove, restore or replace polluted land or water.

**(3)** Subject to the exceptions in Paragraph, the following provisions apply:

**(a)** The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

**(b)** Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

**(4)** We will pay up to an additional \$5,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

**(a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

**(b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4)(a)** and/or **(4)(b)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$5,000.

**C. Additional Coverages 4.g., Reasonable Measures To Protect The Property**, is added.

**g. Reasonable Measures To Protect The Property**

- (1) We will pay the reasonable costs incurred by you for necessary measures taken solely to protect covered property from further damage, when the loss or damage is caused by a Covered Cause of Loss.

For each separate building shown in the Declarations, we will pay up to the greater of \$15,000 or 3% of its separate building Limit of Insurance, for emergency measures including but not limited to temporary repairs, tarping, shrink wrap, water mitigation, board-up, and similar measures, of that building.

- (2) The limit in **g.(1)** above is the total limit for all necessary measures, in any one occurrence, taken solely to protect that separate Building, and its Business Personal Property if any, scheduled in the Declarations.

- (3) The coverage under **g.(1)** above does not:

(a) Increase any Limit of Insurance that applies to the damaged covered property;

(b) Relieve you of the duties in case of a loss to covered property, as set forth in Loss Condition **E.3. Duties In The Event Of Loss Or Damage**;

(c) Pay for property not covered in this Policy; or

(d) Pay for loss excluded or not covered in this Policy.

- (4) If this is a condominium association under form **CP 00 17**, this Additional Coverage **4.g.** does not include any coverage for emergency measures to any individual condominium unit(s) floors, walls, ceiling coverings, built in cabinets, countertops, and other property, that owned by the unit owner, is under the care, custody or control of the unit owner, or is the insurance responsibility of the unit owner.

**D. Coverage Extensions 5.** The first paragraph and the second paragraph are deleted and replaced by the following:

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

You may extend the insurance provided by this Coverage Part as follows:

**E. Coverage Extensions 5.a. Newly Acquired Or Constructed Property**, paragraph **a.(1)** is deleted and replaced by the following:

**(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

(a) Your new buildings while being built on the described premises; and

(b) Buildings located in the State of Florida you acquire, at locations other than the described premises, intended for:

(i) Similar use as the building described in the Declarations; or

(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

**F. Coverage Extensions 5.a. Newly Acquired Or Constructed Property**, paragraph **a.(2)(a)(i)** is deleted and replaced by the following:

(i) Business personal property located in the State of Florida, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;

**G. Coverage Extensions 5.e. Outdoor Property** is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

(1) Fire;

(2) Lightning;

(3) Explosion;

- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

**H. Limits Of Insurance C.** is deleted and replaced by the following:

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to a building is \$1,000 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

- 1. Fire Department Service Charge;
- 2. Pollutant Clean-up And Removal; and
- 3. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

**I. Loss Condition Appraisal** is deleted and replaced by the following:

**2. Alternative Dispute Resolution.**

**a. Mediation.**

If you and we are in dispute regarding a claim under this policy, either you or we may request a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

- (1) If the dispute is mediated the settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement.

However, you may rescind the settlement within 3 business days after reaching settlement, unless you have cashed or deposited any settlement check or draft we disbursed to you for the disputed matters as a result of the mediation conference.

- (2) We will pay the cost of conducting any mediation conferences.

If you fail to appear at the conference, the conference must be rescheduled upon your payment of the costs of a rescheduled conference.

- (3) However, if we fail to appear at a mediation conference requested by you without good cause, we will pay:

- (a) The actual cash expenses you incurred while attending the conference; and

- (b) Also pay the mediator's fee for the rescheduled conference.

**b. Appraisal.**

Appraisal is an alternative dispute resolution method to address and resolve disagreement regarding the amount of the covered loss when both parties agree in writing to appraise the loss. When the parties agree to appraisal, the appraisal shall be governed by this provision of the policy.

- (1) If you and we fail to agree on the amount of loss, the party making the initial appraisal demand must request appraisal in writing and shall include an estimate of the amount of any dispute that results from the Covered Cause of Loss.

- (2) The estimate in **b.(1)** above shall include a description of each item of damaged property in dispute as a result of the covered loss, along with the extent of damage and the estimated amount to repair or replace each item.

- (3) Upon commencement of the Appraisal process each party will choose a competent appraiser within 20 days from the date of commencement.

In order to be deemed competent, each appraiser must be experienced and proficient in preparation of commercial property damage estimates, conducting on-site examination of commercial property damages and reviewing commercial engineering reports, regarding repair and replacement of commercial property multi-story and high-rise commercial building damage and business personal property damage.

- (4) The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss.

Both appraisers must sign the written report of agreement.

- (5) If the appraisers fail to agree within 60 days from the commencement of the appraisal process, the two appraisers will choose a competent and impartial umpire.

To be deemed competent, the umpire selected by the two appraisers above must be experienced and proficient in preparation of commercial property damage estimates, conducting on-site examination of commercial property damages and reviewing commercial expert reports, regarding the repair and replacement of commercial property damage.

- (6) If the two appraisers cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record located in the county corresponding to the applicable LOCATION NO. and its DESCRIPTION OF PREMISES address shown in the Declarations.
- (7) The two appraisers will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.
- (8) The appraisal award will be in writing, must be provided in a form approved by us, and must be signed by either:

- (a) The two appraisers who have agreed in setting the amount of loss; or
- (b) The umpire and the appraiser who has agreed with the umpire in setting the amount of loss.

The appraisal award shall include the following:

- (a) A detailed list, including the amount to repair or replace, of each specific item included in the award from the appraisal findings;
- (b) The agreed amount of each item, its replacement cost value and corresponding actual cash value;
- (c) Provisions relevant to the umpire's agreement to act in

accordance with the Policy provisions; and

- (d) A statement of "This award is made subject to the terms and conditions of the policy."

- (9) Each party will:

- (a) Pay its own appraiser, including their costs associated with producing the estimate described in b.(1) above; and
- (b) Pay the reasonable fees and the reasonable expenses of the appraisal and umpire equally.

- (10) The Appraisal Award shall not include any permanent repairs completed prior to our Appraisal inspection and we shall not be responsible for payment of any such repairs as part of an Appraisal Award.

- (11) You, we, the appraisers and the umpire shall be given reasonable and timely access to inspect the damaged property, in accordance with the terms of the policy.

- (12) If, however, we requested the mediation in 2.a. above and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

- (13) If, however, you or any party other than us requested the mediation in 2.a. above, we may still demand appraisal.

- J. Loss Condition E.3. Duties In The Event Of Loss Or Damage is deleted and replaced by the following:

### 3. Duties In The Event Of Loss Or Damage

- a. In case of a loss to covered property, we have no duty to provide coverage under this Policy, if there is failure to comply with any of the following duties.

These duties must be performed either by you, any other insured seeking coverage, or by a representative of either.

- (1) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (2) As soon as possible, give us or any person authorized to act on our behalf a description of how, when and where the loss or damage occurred.

- (3)** Take reasonable emergency measures to protect the Covered Property from further damage, as provided under Additional Coverages **4.g. Reasonable Emergency Measures To Protect The Property**. Keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim.

This will not increase the Limit of Insurance.

However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss.

To the degree reasonably possible, damaged property and any other property that is related to the loss, whether the property is covered or not, must be retained for us or any person authorized to act on our behalf, to inspect.

- (4)** Keep an accurate record of expenses.
- (5)** Within 14 days after the discovery of the loss, or earlier if reasonably possible, notify the police if a law may have been broken and provide us a copy of the police report.
- (6)** Send to us, within 60 days after our request, a signed, sworn statement in a Proof of Loss form provided by us and completed in its entirety, which sets forth, to the best of your knowledge and belief:
- (a)** The description of the loss, including the date and time of the loss, the cause of the loss, a description of how the loss occurred, when the loss was discovered, and who discovered the loss;
  - (b)** The names of all persons who resided at the insured location at the time of loss;
  - (c)** The interests of all insureds and all others in the property involved and all liens on the property;
  - (d)** Other insurance which may cover the loss;
  - (e)** Changes in title or occupancy of the property during the term of the policy; and

- (f)** Specifications of the damage to the building; including:
- (i)** Detailed descriptions of the damage to the property;
  - (ii)** Repair estimates which show the extent of damage to each item or property;
  - (iii)** Estimated amount(s) to repair or replace each item of property; and
  - (iv)** Amount(s) of payment made for any temporary or permanent repairs.

Photographs, videos and any other supporting documentation that exists should be included to the extent it is reasonable and practical to obtain.

- (7)** The inventory of damaged Business Personal Property described in **a.(14)** below.
- (8)** Produce any updates to the documents and information in **a.(1)** through **a.(7)** above, including revised descriptions of loss, scope of loss, estimates or other supporting information:
- (a)** As this information becomes available, and if additional loss or damage is discovered or incurred; and
  - (b)** If you are provided with new estimates or invoices regarding the losses submitted or not submitted in the proof of loss.
- (9)** Cooperate with us or any person authorized to act on our behalf, in the investigation or settlement of the claim.

This includes speaking and sharing information with us or any person authorized to act on our behalf, and providing documents which can be reasonably obtained by you, to facilitate our investigation of the claim.

When requested, this includes providing us with a copy of all minutes, associated notes, rules and regulations and exhibits, created or developed at or as a result of meetings of the insured's governing board and its committees.

A representative of an insured:

- (a) Must cooperate with our investigation;
  - (b) Must not act in any manner that prevents us or any person acting on our behalf, from investigating the claim; and
  - (c) May not act in any manner to obstruct our investigation.
- (10)** As often as we reasonably require, allow us or any person authorized to act on our behalf:
- (a) Access to the location insured;
  - (b) To inspect the location insured, and to inspect subject to **a.(17)**, **a.(18)** and **a.(19)** below all damaged property and any other property that is related to the loss, whether the property is covered or not, prior to its removal from the insured location;
  - (c) Examine your books and records; and
  - (d) To require an insured or their representative, or both if reasonably possible, to be present at our inspection and to assist in identifying the damaged property during the inspection.
- At our request, identify the person or persons with knowledge of how the loss occurred and the extent of damage.
- (11)** At our request, identify all person(s) with knowledge of the facts of the loss.
- (12)** Execute all work authorizations and allow contractors and related parties entry to the property.
- (13)** Keep an accurate record of repair expenses.
- (14)** At our request, give us or any person authorized to act on our behalf, complete inventories of the damaged and undamaged property. Include descriptions, quantities, costs, values and amount of loss claimed.
- Attach all bills, receipts and related documents that justify the figures in the inventory.
- (15)** As often as we or any person authorized to act on our behalf, reasonably require:
- (a) Show the damaged property retained as required by this policy; and
  - (b) Provide requested records and documents, including all updates to the revised documentation, and permit us or any person authorized to act on our behalf, to make copies.
- (16)** Cooperate in obtaining and executing any necessary municipal, county or other governmental documentation or permits for repairs to be made and any necessary work authorizations, as required by these entities.
- (17)** To the degree reasonably possible, retain the damaged property and any photographs and videos of the damaged property.
- Allow us or any person authorized to act on our behalf, to inspect the retained property and make copies of the photographs and videos.
- (18)** To the degree reasonably possible, prior to materially altering, destroying, trenching or excavating any part of the property or structure insured, allow us or any person authorized to act on our behalf, the opportunity to inspect the property.
- (19)** To the degree reasonably possible, you must permit us or any person authorized to act on our behalf, to take samples of the damaged and undamaged property for inspection, testing and analysis and permit us or any person acting on our behalf, to make copies from your books and records.
- (20)** As often as we or any person authorized to act on our behalf reasonably require:
- (a) You or any insured;
  - (b) Any member, officer, director, partner or similar representative of the association, corporation or other entity, if you are the association, corporation or other entity, who is an insured; and
  - (c) Any agent or representative, including any public adjuster, engaged on behalf of you or any insured, or any member, officer, director, partner or similar

representative of an association, corporation, or other entity, described in (20)(b) above;

must:

- (a) Submit to examinations under oath and recorded statements, at the location insured or other reasonable location designated by us, while not in the presence of each other or any other insured;
- (b) Provide government issued photo identification. If you do not possess government issued photo identification, a signed sworn statement identifying who you are may be accepted; and
- (c) Sign any transcript of the examinations under oath and recorded statements.

Such examinations and recorded statements must be either in-person or utilize video and audio technology, or both, as determined by us; and

Such examinations and recorded statements may be about any matter relating to this insurance or the claim, including an insured's books and records.

- b. At our request, provide us with an unedited copy of all recordings and photographs, including but not limited to, video recordings, audio recordings and photographs, taken by you or your representative of inspections initiated by us under the policy.
- c. The duties above apply regardless of whether a person retains or is assisted by a party who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this policy.

**K. The Loss Payment Condition** dealing with the number of days within which we must pay for covered loss or damage is replaced by the following:

Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earliest of the following:

- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;

- (2) Within 30 days after we receive the sworn proof of loss and:

- (a) There is an entry of a final judgment; or
- (b) There is a filing of an appraisal award with us; or

- (3) Within 60 days of receiving notice of an initial, reopened, or supplemental property insurance claim, unless we deny the claim during that time or factors beyond our control. If a portion of the claim is denied, then the 60-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to the following:

- (a) A claim under a policy covering residential property;
- (b) A claim for building or contents coverage if the insured structure is 10,000 square feet or less and the policy covers only locations in Florida; or
- (c) A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

**L. The Loss Condition Loss Payment**, paragraph 4.a.(4) is deleted and replaced by the following:

- (4) Repair, rebuild or replace any part or item of the damaged property with material or property of like kind and quality, subject to b. below.

**M. The Loss Condition Loss Payment**, paragraph 4.a.(5) is added:

- (5) If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property, subject to b. below.

**N. The Loss Condition Loss Payment**, paragraph 4.c. is deleted and replaced by the following:

- c. We will give the first Named Insured, mail to the first Named Insured at the address shown in the Declarations, or "electronically transmit" to the first Named Insured, written notice of our intentions within 30 days after we receive the signed, sworn proof of loss.

Proof of mailing or "electronic transmittal" is sufficient proof of notice.

**O. The Loss Condition **Loss Payment**, paragraph 4.i. is added:**

i. In the event of a Catastrophic Ground Cover Collapse to a "principal building," you must repair the loss or damage in accordance with the recommendations of our professional engineer. If our professional engineer selected or approved by us determines that the repairs cannot be completed within the applicable Limit of Insurance, we will at our option; either:

- (1) Pay to complete our professional engineer's recommended repairs; or
- (2) Pay the policy limits of the applicable building.

**P. The following is added to the **Loss Payment Condition**:**

Payment of a portion of the claim(s) being asserted in a loss under this policy does not act as a waiver of our right to dispute or deny any unpaid portion of any claim(s) that you may assert arose from a loss.

**Q. The following is added to the Loss Condition **Valuation**:**

Throughout this policy, when determining the actual cash value of the loss, the costs necessary to repair, rebuild or replace the covered damaged property may be depreciated. Such costs subject to depreciation may include, but are not limited to, goods, materials, equipment, labor, overhead and profit, taxes, fees or similar charges.

**R. In form **CP 00 17**, Loss Condition **Valuation**, paragraph 8.d. is added:**

d. "Stock" you have sold but not yet delivered at the selling price less discounts and expenses you otherwise would have had.

**S. In the Loss Conditions, the following is added:**

**Salvage**

We may permit you to keep damaged insured property after a loss. If we permit you to keep damaged insured property, we will reduce the amount of loss proceeds payable to you under the policy by the value of the salvage.

**T. In the Loss Conditions, the following is added:**

**Notice**

A company employee adjuster, independent adjuster, attorney, investigator, or other

persons acting on behalf of us that needs access to an insured or the claimant or to the insured property that is the subject of a claim must provide at least 48 hours' notice to the insured or the claimant, public adjuster, or legal representative before scheduling a meeting with the claimant or an onsite inspection of the insured property.

The insured or the claimant may deny access to the property if notice has not been provided. The insured or the claimant may waive the 48-hour notice.

**U. In the Loss Conditions, the following is added:**

**Claim, Supplemental Claim, Or Reopened Claim**

a. A claim or reopened claim is barred unless notice of the claim is given to us in accordance with the terms of the Policy within 1 year after the date of loss.

A reopened claim means a claim that we have previously closed, but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

b. A supplemental claim is barred unless notice of the supplemental claim is given to us in accordance with the terms of the Policy within 18 months after the date of loss.

A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to us.

c. For claims resulting from "hurricane(s)", tornadoes, windstorms, severe rain, or other weather-related events, the date of loss is the date that the "hurricane" made landfall or the tornado, windstorm, severe rain, or other weather-related event is verified by the National Oceanic and Atmospheric Administration.

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this Policy under the Legal Action Against Us Condition, including any amendment to that condition.

**V. Additional Condition **Mortgage holders**, paragraph 2.a. is deleted and replaced by the following:**

a. The term mortgage holder includes trustee and lienholder.

W. Additional Condition **Coinsurance** is deleted in its entirety.

X. In the Additional Conditions, the following is added:

**Adjustment of Limits and Amounts**

If this policy is a renewal with us, the Limit of Insurance for your Covered Property may be adjusted.

Any change in the Limit of Insurance does not, in any way, represent, warrant, or guarantee to any person or entity, that:

- a. The amounts of coverage are adequate to repair or rebuild any specific building or structure; or
- b. The amounts of coverage are adequate to repair or replace:

(1) Any specific article of business personal property; or

(2) All of your business personal property.

Y. In form **CP 00 17**, Optional Coverages, Replacement Cost, paragraph **3.b.(4)** is added:

(4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Z. The following is added to **H. Definitions** part of this policy:

**"Diminution in value"** means any reduction in the value of any covered property as compared to the value of that property immediately before the loss.

**"Electronic transmittal"** means:

a. The electronic transmittal of any document or notice to the designated Primary Email Address shown in your Declarations; or

b. The electronic posting of any document or notice, with notification to you of the posted document or notice, by electronic transmittal to the designated Primary Email Address shown in your Declarations.

(Hereafter referred to as "electronically transmitted", "electronic transmittal", "electronically transmit" or "electronically transmitting")

**"Hurricane"** means a "hurricane" means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service. The duration of the "hurricane" includes the time period, in Florida:

a. Beginning at the time a hurricane warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service; and

b. Ending 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

**"Principal building"**:

a. If we are insuring your Business Personal Property located within a building we do not insure under this policy, "principal building" means:

The building including any attached garage located at the Business Personal Property's insured location shown in the Declarations.

"Principal building" does not include property described in paragraphs **b.(1)** through **b.(7)** below.

b. If we are insuring a building or structure under this policy, "principal building" means each building shown in the Declarations, including any attached garage.

"Principal building" does not include:

(1) Appurtenant structures connected to the "principal building" by a fence, utility line, open space, or breezeway;

(2) Structures whose foundation is not part of or connected to the applicable "principal building" foundation.

These structures include, but are not limited to, screen enclosures, porches, lanais, carports, pools, pool decks, spas, gazebos, buildings that are not fully enclosed, buildings or structures constructed to be open to the weather, and other open sided or ancillary structures;

(3) Driveways, sidewalks, decks or patios; including, but not limited to, walkways, pavement, fences and other similar property;

(4) Structures and other property excluded or not covered elsewhere in your policy;

(5) Materials, equipment, supplies and temporary structures on or within 100 feet of the described premises used for making additions, alterations or

repairs to property other than the “principal building”;

- (6) Temporary structures on or within 100 feet of the described premises used for making additions, alterations or repairs to the “principal building”; or
- (7) Other buildings or garages whose foundation is not part of or connected to the applicable “principal building” foundation.

“**Primary structural member**” means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

“**Primary structural system**” means an assemblage of “primary structural members.”

“**Structural damage**” means a “principal building,” regardless of the date of its construction, has experienced the following:

- a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement-related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;
- b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement-related damage to the “primary structural members” or “primary structural systems” that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those “primary structural members” or “primary structural systems” exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
- c. Damage that results in listing, leaning or buckling of the exterior load bearing walls or other vertical “primary structural members” to an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
- d. Damage that results in the building, or any portion of the building containing “primary structural members” or “primary structural

systems,” being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or

- e. Damage occurring on or after October 15, 2005, that qualifies as “substantial structural damage” as defined in the Florida Building Code.

**AA.** In Form **CP 00 17**, the following definition is added to **H. Definitions** part of this policy:

“**Stock**” means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

**BB. Sinkhole Collapse Coverage Removed.**

In the Causes Of Loss – Special Form **CP 10 30**, **Sinkhole Collapse** is deleted from the “specified causes of loss” and is no longer an exception to the Earth Movement Exclusion.

Further, this policy does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this policy.

**CC.** In the Causes Of Loss – Special Form, the following is added as a “specified cause of loss”. However, as a “specified cause of loss”, the following does not apply to the Additional Coverage – Collapse.

**Catastrophic Ground Cover Collapse.**

We will pay for direct physical loss or damage to the “principal building” caused by or resulting from Catastrophic Ground Cover Collapse, meaning geological activity that results in all of the following:

- a. The abrupt collapse of the ground cover;
- b. A depression in the ground cover clearly visible to the naked eye;
- c. “Structural damage” to the “principal building,” including the foundation; and
- d. The “principal building” being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that “principal building.”

However, damage consisting merely of the settling or cracking of a foundation, structure

or building does not constitute loss or damage resulting from a Catastrophic Ground Cover Collapse.

Direct physical loss from Catastrophic Ground Cover Collapse does not apply to the costs to repair the depression or hole, or to stabilize the land on the premises. However:

- a. If our professional engineer selected or approved by us determines that the repairs cannot be completed within the applicable Limit of Insurance, and we at our option pay to complete our professional engineer's recommended repairs, our payments will include payment for stabilization of the applicable land in accordance with our professional engineer's recommended repairs.
- b. The total of our payments in (a) above will not exceed the applicable Limit of Insurance.

Business Personal Property:

We will pay for direct physical loss or damage to Business Personal Property shown in the Declarations, when the following apply:

- a. The Business Personal Property is located within a "principal building," and
- b. The direct physical loss or damage results from or is caused by Catastrophic Ground Cover Collapse that occurs during the policy period, as described above.

The Earth Movement And Settlement Exclusion does not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance.

Regardless of whether loss or damage attributable to Catastrophic Ground Cover Collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Coverage Part), only one Limit of Insurance will apply to such loss or damage.

**DD.** In the Causes Of Loss – Special Form **CP 10 30**, the following is added to paragraph **B.2.**:

These Exclusions in **B.2** apply whether or not the loss event results in widespread damage or affects a substantial area.

**EE.** In the Causes Of Loss – Special Form **CP 10 30**, the Ordinance or Law Exclusion **B.1.a.** is deleted and replaced by the following:

**a. Ordinance Or Law**

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged;
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property;
- (c) The requirements of which result in a loss in value to property;
- (d) Requiring you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
- (e) The requirements of which apply to other structures unless specifically provided under this policy.

**FF.** In the Causes Of Loss – Special Form **CP 10 30**, the Earth Movement Exclusion **B.1.b.** is deleted and replaced by the following:

**b. Earth Movement And Settlement**

- (1) Earthquake and settlement, including land shock waves, tremors, aftershocks, or any earth sinking, rising or shifting, related to such event;
- (2) Earth sinking (other than catastrophic ground cover collapse), rising or shifting, landslide, mudflow, mudslide, sand flow, shifting sand, scouring, including soil conditions.

Soil conditions include contraction, expansion, freezing, thawing, erosion, scouring, improperly compacted soil, clay shrinkage or other expansion or contraction of soils or organic materials and the action of water under the ground surface;

- (3) Subsidence, including mine subsidence. Mine subsidence means subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Settling, cracking, shrinking, bulging, expansion or other disarrangement, of foundations, walls, floors, ceilings, retaining walls, pavements and patios;
- (5) Blasting, including shockwaves and vibrations, carried through the air or through the ground, caused by or as a result of blasting and other earth removal activities;
- (6) Pile driving, including shockwaves or vibrations, carried through the air and through the ground, caused by or as a result of pile driving; or
- (7) Vibrations from construction equipment on adjacent property, caused by or as a result of blasting, pile driving, demolition and other construction activities which cause vibrations;

whether caused by or resulting from human or animal activities, any act of nature or is otherwise caused.

But if Earth Movement, as described in **b.(1)** through **(7)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (8) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not

cause direct physical loss or damage to the described property.

- GG.** In the Causes Of Loss – Special Form **CP 10 30**, the Nuclear Hazard Exclusion **B.1.d.** is deleted and replaced by the following:

**c. Nuclear Hazard**

Nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

- HH.** In the Causes Of Loss – Special Form **CP 10 30**, the following is added to the War And Military Action Exclusion **B.1.f.**:

Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

- II.** In the Causes Of Loss – Special Form **CP 10 30**, the Water Exclusion **B.1.g.** is deleted and replaced by the following:

**g. Water**

- (1) Flood, surface water, waves, including tidal waves and tsunami, tides, tidal water, wave wash, storm surge, overflow of any body of water, or spray from any of these, all whether or not driven by wind including storm surge;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, septic tank, septic system, drain field, cesspool, sump, sump pump or related equipment or similar systems;
- (4) Water under the ground surface pressing on, or flowing, leaking or seeping through:
  - (a) Buildings, foundations, walls, floors, driveways, sidewalks, patios, swimming pools, paved surfaces, or other structures;
  - (b) Basements, whether paved or not;
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in **g.(1)**, **g.(3)** or **g.(4)** or material carried or otherwise moved by mudslide or mudflow.

This Exclusion **g.** applies regardless of whether any of the above in **g.(1)** through **g.(5)** is caused by or resulting from human or animal forces or by an act of nature or is otherwise caused.

An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or any other boundary or containment system fails in whole or in part, for any reason, to contain the water or waterborne material.

But if any of the above, as described in **g.(1)** through **g.(5)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**JJ.** In the Causes Of Loss – Special Form **CP 10 30**, the following paragraph **i.** is added to **B.1.** Exclusions:

**i. Windstorm Exterior Paint And Waterproofing Exclusion**

If windstorm is a Covered Cause of Loss and loss or damage to Covered Property is caused by or results from, windstorm or hail or a “hurricane”, the following exclusion applies:

We will not pay for loss or damage caused by windstorm to:

- (1) Paint;
- (2) Stain; or
- (3) Waterproofing material;

applied to the exterior of any building or structure.

**KK.** In the Causes Of Loss – Special Form **CP 10 30**, the following paragraph **j.** is added to **B.1.** Exclusions:

**j. Existing Damage**

Existing Damage, also known as pre-existing damage.

- (1) Any damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy or occurring at a later date;
- (2) Damages existing prior to the time of loss: or
- (3) Any unrepaired part or portion of a loss to property for which you have made an insurance claim, whether or not paid by insurance.

Paragraph **(3)** above does not apply, for the same loss, to a reopened claim or a supplemental claim described under Loss Conditions Part **U.**, Claim, Supplemental Claim, Or Reopened Claim.

However, under this Exclusion **j.** any ensuing loss to property described in Coverages not otherwise excluded or excepted in this policy is covered.

This provision applies to all coverages in this policy.

**LL.** In the Causes Of Loss – Special Form **CP 10 30**, the following exclusions are added to **B.1.** Exclusions are added:

**k. Consequential Losses**, including but not limited to rental value, business income or business interruption.

**l. Intentional Loss**

Any loss arising out of any act committed or conspiracy to commit:

- (1) By or at the direction of you, any insured, or any person or organization named as an additional insured; and
- (2) With the intent to cause a loss.

In the event of such loss, no insured or any person or organization is entitled to coverage, even they did not commit or conspire to commit the act causing the loss.

**m. Professional Services**

Any payment for expenses of engineering reports, professional services, or other expert opinions, reports, or estimates to establish and/or determine the cause of loss or the amount of loss, rendered by professionals including, but not limited to appraisers, inspectors, contractors, plumbers, consultants, estimators, roofers, or engineers paid for or ordered by you or any insured or any representative acting on your or any insured's behalf.

**MM.** In the Causes Of Loss – Special Form **CP 10 30**, the following exclusion under **B.2.** Exclusions is added:

**n. Artificially generated electrical current**, including electric arcing, that disturbs electrical devices, appliances or wires including loss to a tube, transistor or similar electronic component.

**NN.** In the Common Policy Conditions, the Inspections And Surveys Condition **D.** is deleted and replaced by the following:

**D. Inspections And Surveys.**

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged.

We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public.

And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

3. Recordings

At our request, provide us with an unedited copy of all recordings and photographs, including but not limited to, video recordings, audio recordings and photographs, taken by you or your representative of inspections initiated by us under the policy.

4. This condition applies not only to us, but also to any rating, advisory, inspection service or similar organization which makes insurance inspections, surveys, reports or recommendations.

**OO.** In the Common Policy Conditions, the following is added:

**Renewal Notification**

If we elect to renew this policy, we will let the first Named Insured know, in writing:

1. Of our decision to renew this policy; and
2. The amount of renewal premium payable to us.

This notice will be delivered to the first Named Insured, mailed to the first Named Insured at the mailing address shown in the Declarations, or “electronically transmitted” to the first Named Insured, at least 45 days before the expiration date of this policy.

Proof of mailing or “electronic transmittal” is sufficient proof of notice.

**PP.** In the Common Policy Conditions, the following is added:

**Document Transmittal**

Upon affirmative election by you for us to deliver policy documents by electronic means in lieu of delivery by mail, we may “electronically transmit” any document or notice to you.

Proof of “electronic transmittal” is sufficient proof of notice.

**QQ.** In the Commercial Property Conditions, the Concealment, Misrepresentation Or Fraud Condition **A.** is deleted and replaced by the following:

**A. Incorrect Statements Or Representations, Concealment Or Fraudulent Conduct.**

1. We do not provide coverage under this Policy to you or any insureds who, before, during or after a loss, separately or in any manner in conjunction with each other or in conjunction with any third parties, have, relating to this insurance:

- a. Made one or more material incorrect statements or representations;
- b. Concealed any material fact or circumstance; or
- c. Engaged in fraudulent conduct.

2. We do not provide coverage under this Policy to you or any insureds, when you or any insured had knowledge of, but failed to disclose that any claimant, or agent or representative of you, any insured, or any claimant, engaged in any of the behavior described in **3.a.** through **3.c.** below.

3. We do not provide coverage under this Policy to any other claimant or other claimants seeking benefits under the policy on any basis who, before, during or after a loss, separately or in any manner in conjunction with each other, you, any insureds or any third parties, have, relating to this insurance:

- a. Made one or more material incorrect statements or representations;
- b. Concealed any material fact or circumstance; or
- c. Engaged in fraudulent conduct.

If this policy covers a residential structure or its contents, then in the Commercial Property Conditions, the following is added to **A.** Incorrect Statements Or Representations, Concealment Or Fraudulent Conduct:

However, if this policy has been in effect for more than 60 days, we may not deny a claim filed by you

or an insured on the basis of credit information available in public records.

**RR.** The following is added to this policy:

**AGREEMENT**

This policy is issued on behalf of Mainsail Insurance Company administered by Crestwell Underwriters LLC and by acceptance of this policy you agree:

This policy does not include, does not insure, and we will not pay for, any "diminution in value".

**SS.** The following is added to this policy:

IN WITNESS WHEREOF, Mainsail Insurance Company administered by Crestwell Underwriters LLC has executed and attested these presents.

**TT.** The following provision applies when a Coinsurance percentage is shown in the Declarations:

Florida law states as follows:

Coinsurance contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the Insured.

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

## **COMMON POLICY CONDITIONS CANCELLATION AND NONRENEWAL**

All Coverage Parts included in this policy are subject to the following conditions.

### **A. Changes**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### **B. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### **C. Inspections And Surveys**

1. We have the right to:
  - a. Make inspections and surveys at anytime;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### **D. Premiums**

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### **E. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

### **F. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

## **2. Cancellation For Policies In Effect 60 Days Or Less**

- a. If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
  - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
    - (a) A material misstatement or misrepresentation; or
    - (b) A failure to comply with underwriting requirements established by the insurer.
- b. We may not cancel:
  - (1) On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
  - (2) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Proof of mailing or "electronic transmittal" is sufficient proof of notice.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

## **7. Cancellation For Policies In Effect For More Than 60 Days**

- a. If this policy has been in effect for more than 60 days, we may cancel this policy only for one or more of the following reasons:
  - (1) Nonpayment of premium;
  - (2) The policy was obtained by a material misstatement;
  - (3) There has been a failure to comply within 60 days after the effective date of coverage, with underwriting requirements established by us before the effective date of coverage;
  - (4) There has been a substantial change in the risk covered by the policy;
  - (5) The cancellation is for all insureds under such policies for a given class of insureds;
  - (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
  - (7) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
- b. If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
  - (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium;
  - (2) 45 days before the effective date of cancellation if cancellation is for one or more of the reasons stated in Paragraphs **7.a.(2)** through **7.a.(7)** above; and this policy does not cover a residential structure or residential property; or
  - (3) 120 days before the effective date of cancellation if:
    - (a) Cancellation is for one or more of the reasons stated in Paragraphs **7.a.(2)** through **7.a.(7)** above; and

(b) This policy covers a residential structure or residential property.

c. If this policy covers a residential structure or residential property, and this policy has been in effect for more than 60 days, we may not cancel on the basis of credit information available in public records.

8. If this policy is cancelled, we will send the first Named Insured any premium refund due.

If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.

If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail or with your written approval electronically transfer the refund within 15 working days, either after the date cancellation takes effect, or after our receipt of your request to cancel the policy, whichever is later.

The cancellation will be effective even if we have not made or offered a refund.

#### **G. Nonrenewal**

1. If we do not renew this policy we will deliver to the first Named Insured, mail to the first Named Insured at the mailing address shown in the Declarations, or “electronically transmit” to the first Named Insured, written notice, accompanied by the specific reason for nonrenewal, at least:

a. 45 days prior to the expiration of the policy if this policy does not cover a residential structure or residential property; or

b. 120 days prior to the expiration of the policy if this policy for all other nonrenewals.

2. Any notice of nonrenewal will be delivered to the first Named Insured, mailed to the first Named Insured at the mailing address shown in the Declarations, or “electronically transmitted” to the first Named Insured.

If notice is mailed or “electronically transmitted”, proof of mailing or “electronic transmittal” is sufficient proof of notice.

3. We may not refuse to renew this policy:

a. On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

b. On the basis of filing of claim(s) for “sinkhole loss”; unless:

(1) The total of such payments equals or exceeds the policy limits of coverage for the policy in effect on the date of loss, for property damage to the affected “principal building”; or

(2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based; or

c. Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

#### **H. Limitations On Cancellation And Nonrenewal In The Event Of Hurricane Or Wind Loss – Residential Property**

1. The following provisions apply to a policy covering a residential structure or residential property:

a. We may not cancel or nonrenew this Policy:

(1) For a period of 90 days after the covered residential structure or covered residential property has been repaired, if such property which has been damaged as a result of a “hurricane” or wind loss that is the subject of the declaration of emergency pursuant to Section 252.36 Florida statutes, and the filing of an order by the Commissioner of Insurance Regulation.

(2) Until the earlier of when the covered residential structure or covered residential property has been repaired or 1 year after we issue the final claim payment, if such property was damaged by any covered peril and a.(1) above does not apply.

A structure is deemed to be repaired when substantially completed and restored to the extent it is insurable by another authorized insurer writing policies in Florida.

If we elect to not renew the policy under 1.a. above, we will provide at least 90 days' notice that we intend to nonrenew 90 days after the repairs are complete.

b. We may cancel or nonrenew the policy prior to the repair of the residential structure or residential property for any of the following reasons:

- (1) Nonpayment of premium;
- (2) Material misstatement or fraud related to the claim;
- (3) We determine that you have unreasonably caused a delay in the repair of the structure; or
- (4) We have paid the policy limits.

If we cancel or nonrenew for nonpayment of premium, we will give you 10 days' notice. If we cancel or nonrenew for a reason listed in Paragraph **b.(2)**, **b.(3)** or **b.(4)**, we will give you 45 days' notice.

c. The cancellation notice or nonrenewal notice will be delivered to the first named insured, mailed to the first named insured at the mailing address shown in the Declarations, or "electronically transmitted" to the first named insured.

Proof of mailing or "electronic transmittal" is sufficient proof of notice.

For all other nonrenewals, we will give the first named insured at least 120 days written notice before the expiration of this Policy.

2. With respect to a policy covering a residential structure or residential property, any cancellation or nonrenewal that would otherwise take effect during the duration of a "hurricane" will not take effect until the end of the duration of such "hurricane", unless a replacement policy has been obtained and is in effect for a claim occurring during the duration of the "hurricane". We may collect premium for the period of time for which the policy period is extended.
3. With respect to **H.2.**, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The hurricane occurrence begins at the time a hurricane warning is issued for any part of Florida by the NHC, and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.

**I. Renewal Notification.** If we elect to renew this policy, we will let you know, in writing:

1. Of our decision to renew this policy; and
2. The amount of renewal premium payable to us.

This notice will be delivered to you or mailed to you at your mailing address shown in the Declarations at least 45 days before the expiration date of this policy.

**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

## **DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

### **SCHEDULE**

<b>SCHEDULE – PART I</b>	
<b>Terrorism Premium (Certified Acts)</b>	<b>\$</b>
This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):	
<b>Additional information, if any, concerning the terrorism premium:</b>	
<b>SCHEDULE – PART II</b>	
<b>Federal share of terrorism losses</b>	<b>80 %</b>
(Refer to Paragraph <b>B.</b> in this endorsement.)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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

## **FLORIDA – SINKHOLE LOSS COVERAGE**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

**A. The following is added to this Coverage Part as a Covered Cause Of Loss.**

“Sinkhole loss,” meaning “structural damage” to the “principal building,” including the foundation, caused by “sinkhole activity” that occurs during the policy period.

“Sinkhole activity” means settlement or systematic weakening of the earth supporting the “principal building,” only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

“Sinkhole” means a landform created by the subsidence of soil, sediment, or rock as underlying strata are dissolved by ground water.

A “sinkhole” forms by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.

**B. Coverage for direct physical loss caused by “sinkhole loss” that occurs during the policy period is limited to the “principal building,” including the costs incurred to:**

1. Stabilize the “principal building’s” land and “principal building”; and
2. Repair the foundation of the “principal building.”

Such work must be in accordance with the requirements of Florida Insurance Law; and in accordance with the recommendations of our professional engineer and with notice to you.

The professional engineer or professional geologist must be selected or approved by us.

**C. Upon receipt of a claim for a sinkhole loss to a “principal building,” we will inspect your property to determine if there is “structural damage” that may be a result of “sinkhole activity.”**

In the event of a “sinkhole loss” to a “principal building,” you must repair the damage or loss in accordance with the recommendations of our professional engineer.

Prior to your entering into a contract for performance of building stabilization or foundation repair, if our professional engineer selected or approved by us determines that the repairs cannot be completed within the applicable Limit of Insurance, we will at our option; either:

1. Pay to complete our professional engineer’s recommended repairs; or
2. Pay the policy limits the applicable building.

However, until you enter into a contract for performance of building stabilization or foundation repair:

1. We will not pay for underpinning or grouting or any other repair technique performed below the existing foundation of the affected “principal building”; and
2. Our payment for “sinkhole loss” to the “principal building” may be limited to the actual cash value of the loss to such property.

After you have entered into a contract for performance of building stabilization or foundation repair, we will pay the amounts necessary to begin and perform such repairs:

1. As the work is performed; and
2. The expenses are incurred.

If repair has begun and our professional engineer determines that the repairs will exceed the applicable Limit of Insurance, we will pay only the remaining portion of the applicable Limit of Insurance upon such determination.

The most we will pay for the total of all “sinkhole loss,” including:

1. “Principal building” and the “principal building’s” land stabilization; and
2. Foundation repair of the “principal building,”

is the applicable Limit of Insurance shown in the Declarations on the affected building.

We will pay for direct physical loss or damage to Business Personal Property shown in the Declarations, when the following apply:

1. The Business Personal Property is located within a "principal building"; and
2. The direct physical loss or damage results from or is caused by direct "sinkhole loss" that occurs during the policy period.

We will not pay for loss or damage to Business Personal Property if the loss or damage is excluded elsewhere in this policy.

Coverage for Business Personal Property caused by "sinkhole loss" does not include building repair, loss or damage to the building, stabilization of the building or land, foundation repair or other property not covered, excluded, or limited elsewhere in this policy.

**D.** "Sinkhole loss" does not include:

1. Sinking or collapse of land into man-made underground cavities;
2. Earthquake;
3. Land or the replacement, rebuilding, restoration, or value of land except as provided under **B.1.** above and in accordance with the recommendations of our professional engineer.

**E.** In order to prevent additional damage to the "principal building," you must enter into a contract for the performance of building stabilization and foundation repairs in accordance with the recommendations of our professional engineer within 90 days after we confirm coverage for "sinkhole loss" and notify you of such coverage.

This time period tolls if either party invokes the neutral evaluation process, and begins again 10 days after the conclusion of the neutral evaluation process.

The stabilization and all other repairs to the "principal building" and Business Personal Property must be completed within 12 months after entering into the contract for repairs unless:

1. There is mutual agreement between you and us;
2. The claim is involved with the neutral evaluation process;
3. The claim is in litigation; or
4. The claim is under appraisal or mediation.

This Coverage Part applies when your Declarations shows a Limit of Insurance for the affected "principal building."

**F.** After we inspect your property, we may deny your claim with or without testing provided under Section 627.7072, Florida Statutes.

1. You may demand testing, which must be communicated to us in writing, within 60 days after your receipt of our denial of your claim.
2. You shall pay 50% of the actual costs of the analyses and services or \$2,500 whichever is less.
3. We shall reimburse you for costs in **2.** above if our engineer or our geologist provides written certification that there is "sinkhole loss."

**G.** If you have submitted a sinkhole claim without good faith grounds for submitting such claim and such claim is not withdrawn prior to our ordering at your request, sinkhole analysis and services to investigate your claim, you are required after we obtain written certification that there is no "sinkhole activity", to reimburse us for 50% of the actual costs, up to \$2,500, of the sinkhole analyses and services provided by a professional engineer or professional geologist to conduct testing to determine the cause of loss; pursuant to Sections 627.7072 and 627.7073, Florida Statutes.

**H.** As a precondition for accepting payment for a "sinkhole loss," you must file with the county clerk of court a copy of any sinkhole report which was prepared on your behalf or at your request.

You will bear the costs of filing and recording the sinkhole report.

**I.** You may not accept a "rebate" from any person performing repairs, pursuant to Section 627.707, Florida Statutes.

If you receive a "rebate," coverage is void and you must refund the amount of the rebate to us.

**J.** With respect to coverage provided by this endorsement, the Earth Movement And Settlement exclusion does not preclude coverage for "sinkhole loss" if there is a direct physical loss to the "principal building" caused by "sinkhole loss."

If a loss is caused in part by "sinkhole loss" and in part by Earth Movement and Settlement, our liability is limited to the amount of the covered loss caused by "sinkhole loss," subject to any applicable deductible or coinsurance provisions.

## K. Neutral Evaluation Program

If there is coverage under the Policy and the claim was submitted within 2 years after you knew or reasonably should have known about the sinkhole loss, following the receipt of a sinkhole report as provided under Section 627.7073, Florida Statutes, or the denial of a claim for “sinkhole”, “sinkhole activity”, “sinkhole loss”, or alleged sinkhole loss, Loss Condition E.

**2.a.** Mediation is replaced by the following:

With respect to a claim for alleged sinkhole loss, a neutral evaluation program is available to either party if a sinkhole report has been issued pursuant to Section 627.7073, Florida Statutes.

1. Following receipt by us of a report from a professional engineer or professional geologist on the cause of loss and recommendations for land stabilization and repair of property, or if we deny your claim, we will notify you of your right to participate in a neutral evaluation program administered by the Florida Department of Financial Services (hereinafter referred to as the Department).
2. For alleged “sinkhole loss” to commercial residential properties, this program applies instead of any mediation procedure set forth elsewhere in this policy.
3. You or we may file a request with the Department for neutral evaluation; the other party must comply with such request.
4. We will pay the reasonable costs associated with the neutral evaluation, regardless of which party makes the request.  
  
For alleged “sinkhole loss” to commercial residential properties, this program applies instead of any mediation procedure set forth elsewhere in this policy.
5. The neutral evaluator will be selected from a list maintained by the Department.  
  
The neutral evaluator must be allowed reasonable access to the interior and exterior of the “principal building” to be evaluated or for which a claim has been made.
6. The recommendation of the neutral evaluator will not be binding on you or us.
7. Participation in the neutral evaluation program does not change your right to file suit against us in accordance with the Legal Action Against Us Condition in this policy; except that the time for filing suit is extended for a period of:
  - a. 60 days following the conclusion of the neutral evaluation process; or
  - b. five years,whichever is later.

L. Coverage for “sinkhole loss” under this endorsement does not increase the applicable Limit of Insurance.

Even if loss or damage qualifies under, or includes, both:

1. Catastrophic Ground Cover Collapse (addressed elsewhere in this Coverage Part); and
2. “Sinkhole loss,”

only one Limit of Insurance will apply to such loss or damage.

M. Coverage for “sinkhole loss” under this endorsement does not include visible physical damage or “structural damage” to covered property or to the “principal building” including the foundation caused by “sinkhole,” “sinkhole loss” or “sinkhole activity” occurring prior to the inception of this policy.

N. With respect to coverage provided by this endorsement, the following is added:

Any sinkhole claim, including, but not limited to, initial, supplemental, and reopened sinkhole claims under this policy is barred unless notice of the sinkhole claim is given to us in accordance with the terms of the policy within 2 years after you knew or reasonably should have known about the sinkhole loss.

O. The following is added to B.1. Exclusions under Form **CP 10 30**.

Visible physical damage or “structural damage” to covered property or to the “principal building” including the foundation caused by “sinkhole,” “sinkhole loss” or “sinkhole activity” occurring prior to the inception of this policy, regardless of whether such damages were apparent at the time of the inception of this policy or discovered at a later date.

P. The following is added to H. Definitions part of your policy:

“Rebate” means remuneration, payment, gift, discount, or transfer of any item of value to the policyholder by or on behalf of a person performing the repairs as an incentive or inducement to obtain repairs performed by that person.

Q. The following is added to the Legal Action Against Us Condition under D. of form **CWU 01 75** in this policy:

No one may bring a legal action against us under this Coverage Part unless any report, investigation or findings regarding a sinkhole loss on property insured under this Policy, obtained by you or by another party on your behalf, are provided to us at least 60 days prior to filing any suit related to “sinkhole activity”

**R. Sinkhole Loss Deductible**

A sinkhole deductible applies to covered property, when loss is caused by "sinkhole loss."

The amount of your sinkhole deductible is shown in your Declarations.

Subject to the policy limits that apply, we will pay only that part of the total of all "sinkhole loss" that exceeds the Sinkhole Loss Deductible.

Each sinkhole loss deductible will not be less than the greater of \$1,000 or the Sinkhole Loss Deductible shown in the Declarations.

No other deductible applies to "sinkhole loss."

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

## ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

CONDOMINIUM ASSOCIATION COVERAGE FORM

### SCHEDULE\*

Bldg. No./ Prem. No.	Cov. A	Cov. B Limit Of Insur.	Cov. C Limit Of Insur.	Cov. B & C Combined Limit Of Insur.	Cov. A, B & C Combined Limit Of Insur.
		\$	\$	\$	** \$ **
		\$	\$	\$	** \$ **
		\$	\$	\$	** \$ **

\*Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.  
 \*\*Do **not** enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages **B** and **C**, or if one of these Coverages is not applicable.

**A.** Each Coverage **A**, Coverage **B** and Coverage **C** is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for that Coverage(s) in the Schedule.

**B. Application Of Coverage(s)**

The Coverage(s) provided by this endorsement apply only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

1. The ordinance or law:
  - a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
  - b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

- 2.a. The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, and/or **C** of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section **H.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement.

**C.** We will not pay under Coverage **A**, **B** or **C** of this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

**D. Coverage**

**1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building**

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage **A** is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage **A** does not increase the Limit of Insurance.

**2. Coverage B – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

**3. Coverage C – Increased Cost Of Construction Coverage**

**a.** With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

**b.** When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with **3.a.** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in **3.a.**:

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this Provision, **3.b.**

**E. Loss Payment**

1. All following loss payment Provisions, **E.2.** through **E.6.**, are subject to the apportionment procedures set forth in Section **B.3.** of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
    - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
    - (2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
  - b. If the Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:
    - (1) The actual cash value of the building at the time of loss; or
    - (2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph **E.5** or **E.6.** applies, loss payment under Coverage **B** Demolition Cost Coverage will be determined as follows:
 

We will not pay more than the lesser of the following:

  - a. The amount you actually spend to demolish and clear the site of the described premises; or
  - b. The applicable Limit of Insurance shown for Coverage **B** in the Schedule above.
4. Unless Paragraph **E.5.** or **E.6.** applies, loss payment under Coverage **C** Increased Cost of Construction Coverage will be determined as follows:
  - a. We will not pay under Coverage **C**:
    - (1) Until the property is actually repaired or replaced, at the same or another premises; and
    - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage is the lesser of:
    - (1) The increased cost of construction at the same premises; or
    - (2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule above.
  - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:
    - (1) The increased cost of construction at the new premises; or
    - (2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule above.
5. If a **Combined** Limit of Insurance is shown for Coverages **B** and **C** in the Schedule above, Paragraphs **E.3., E.4. and E.6.** of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:
 

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit of Insurance shown for Coverages **B** and **C** in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

  - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
  - b. With respect to the Increased Cost of Construction:
    - (1) We will not pay for the increased cost of construction:
      - (a) Until the property is actually repaired or replaced, at the same or another premises; and
      - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
    - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

- (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
6. If a **Combined** Limit of Insurance is shown for Coverages **A**, **B** and **C** in the Schedule above, Paragraphs **E.3.**, **E.4.** and **E.5.** of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:
- The most we will pay, for the total of all covered losses for the Undamaged Portion of the Building, Demolition Cost and Increased Cost of Construction, is the Combined Limit of Insurance shown for Coverages **A**, **B** and **C** in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
- a. For loss to the Undamaged Portion of the Building, we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of un-damaged parts of the same building.
  - b. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
  - c. With respect to the Increased Cost of Construction:
    - (1) We will not pay for the increased cost of construction:
      - (a) Until the property is actually repaired or replaced, at the same or another premises; and
      - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
    - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
    - (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

- F. The terms of this endorsement apply separately to each building to which this endorsement applies; unless the Combined **A**, **B** and **C** option is chosen at which point the Limit of Insurance still shall apply per occurrence with respect to all buildings combined, and such limit shall be in addition to the scheduled limit of insurance the declarations page on the policy.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
  2. You failed to comply with.
- H. Example of Proportionate Loss Payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section **B.3.** of this endorsement.)
- Assume:
- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
  - The building has a value of \$200,000
  - Total direct physical damage to building: \$100,000
  - The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
  - Portion of direct physical damage that is covered (caused by wind): \$30,000
  - Portion of direct physical damage that is not covered (caused by flood): \$70,000
  - Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000
- Step 1:
- Determine the proportion that the covered direct physical damage bears to the total direct physical damage.
- $$\$30,000 \div \$100,000 = .30$$
- Step 2:
- Apply that proportion to the Ordinance or Law loss.
- $$\$60,000 \times .30 = \$18,000$$
- In this example, the most we will pay under this endorsement for the Coverage **C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.
- Note:** The same procedure applies to losses under Coverages **A** and **B** of this endorsement.
- I. The following definition is added:
- "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

# ORDINANCE OR LAW COVERAGE SCHEDULE

The following schedule lists the location and coverage limits applicable under **Ordinance Or Law Coverage Endorsement**.

LOC NO	BLDG NO	ADDRESS	COV A LIMIT OF IN- SURANCE	COV B LIMIT OF IN- SURANCE	COV C LIMIT OF IN- SURANCE	COV B & C COMBINED LIMIT OF INSURANCE	COV A, B & C COMBINED LIMIT OF INSURANCE
1	1	2840 CASA WAY, Delray Beach, FL 33445-8751					\$100,000.00
1	2	2725 CASITA WAY, Delray Beach, FL 33445-4509					\$100,000.00
1	3	2805 CASITA WAY, Delray Beach, FL 33445-4568					\$100,000.00
1	4	2720 CASA WAY, Delray Beach, FL 33445-4545					\$100,000.00
1	5	2755 CASITA WAY, Delray Beach, FL 33445-4512					\$100,000.00
1	6	2825 CASITA WAY, Delray Beach, FL 33445-4597					\$100,000.00

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

## **JOINT OR DISPUTED LOSS AGREEMENT**

This Endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** This endorsement is intended to facilitate payment of insurance proceeds when:
1. Both a boiler and machinery policy and this commercial property policy are in effect;
  2. Damage occurs to Covered Property that is insured by the boiler and machinery policy and this commercial property policy; and
  3. There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.
- B.** This endorsement does not apply if:
1. Both the boiler and machinery insurer(s) and we do not admit to any liability; and
  2. Neither the boiler and machinery insurer(s) nor we contend that coverage applies under the other insurer's policy.
- C.** The provisions of this endorsement apply only if all of the following requirements are met:
1. The boiler and machinery policy carried by the named insured, insuring the Covered Property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this endorsement;
  2. The damage to the Covered Property was caused by a loss for which:
    - a. Both the boiler and machinery insurer(s) and we admit to some liability for payment under the respective policies; or
    - b. Either:
      - (1) The boiler and machinery insurer(s) does not admit to any liability for payment, while we contend that:
        - (a) All liability exists under the boiler and machinery policy; or
        - (b) Some liability exists under both the boiler and machinery policy and this commercial property policy;
      - (2) We do not admit to any liability for payment, while the boiler and machinery insurer(s) contends that:
        - (a) All liability exists under this commercial property policy; or
        - (b) Some liability exists under both the boiler and machinery policy and this commercial property policy;
      - (3) Both the boiler and machinery insurer(s) and we:
        - (a) Do not admit to any liability for payment; and
        - (b) Contend that some or all liability exists under the other insurer's policy; and
  3. The total amount of the loss is agreed to by you, the boiler and machinery insurer(s) and us.
- D.** If the requirements listed in Paragraph **C.** above are satisfied, we and the boiler and machinery insurer(s) will make payments to the extent, and in the manner, described as follows:
1. We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by this commercial property policy and one-half (1/2) the amount of the loss that is in disagreement.
  2. The boiler and machinery insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the boiler and machinery policy and one-half (1/2) the amount of loss that is in disagreement.
  3. Payments by the insurers of the amounts that are in disagreement, as described in Paragraphs **1.** and **2.**, do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.

4. The amount in disagreement to be paid by us under this endorsement shall not exceed the amount payable under the equivalent Loss Agreement(s) of the boiler and machinery policy.
5. The amount to be paid under this endorsement shall not exceed the amount we would have paid had no boiler and machinery policy been in effect at the time of loss. In no event will we pay more than the applicable Limit of Insurance shown in the Declarations.
6. Acceptance by you of sums paid under this endorsement does not alter, waive or surrender any other rights against us.

#### **E. Arbitration**

1. If the circumstances described in Paragraph **C.2.a.** exist and the boiler and machinery insurer(s) and we agree to submit our differences to arbitration, the boiler and machinery insurer(s) and we will determine the amount each will pay and will pay the insured within 90 days. Arbitration will then take place within 90 days after payment of the loss under the terms of this endorsement.
2. If any of the circumstances described in Paragraph **C.2.b.** exist, then the boiler and machinery insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this endorsement.

3. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the boiler and machinery insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

#### **F. Final Settlement Between Insurers**

The insurer(s) found responsible for the greater percentage of the ultimate loss must return the excess contribution to the other insurer(s). In addition, the insurer(s) found responsible for the greater portion of the loss must pay Liquidated Damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated Damages are defined as interest from the date the insured invokes this Agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the Money Rates column of the Wall Street Journal during the period of the Liquidated Damages. Arbitration expenses are not a part of the excess contribution for which liquidated damages are calculated. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

POLICY NUMBER:

COMMERCIAL PROPERTY  
CP 14 10 06 95

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

## **ADDITIONAL COVERED PROPERTY**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY

The following is withdrawn from PROPERTY NOT COVERED and added to COVERED PROPERTY:

### **SCHEDULE\***

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Paragraph Reference</b>	<b>Description of Property</b>	<b>Type of Property Coverage (Enter BUILDING or PERSONAL PROPERTY)</b>
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\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

# SPRINKLER LEAKAGE EXCLUSION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – SPECIAL FORM

## SCHEDULE

Premises Number	Building Number
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

With respect to the location(s) indicated in the Schedule, the following provisions apply.

**A.** The following is added to the **Exclusions** section and is therefore **not** a Covered Cause of Loss:

**SPRINKLER LEAKAGE**

Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

But if Sprinkler Leakage results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**B.** Under Exclusion **1.g.**, Water, the last paragraph is replaced by the following:

But if Water, as described in the paragraphs above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

**C.** Exclusion **2.g.**, in the Causes Of Loss – Special Form, is replaced by the following:

We will not pay for loss or damage caused by or resulting from water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

**D.** Under **Limitations** in the Causes Of Loss – Special Form, Item **4.** is replaced by the following:

**4.** We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if:

- a.** The damage is directly caused by freezing; and
- b.** You do your best to maintain heat in the building or structure, or you drain the equipment and shut off the supply if the heat is not maintained.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

**E.** In the Causes Of Loss – Special Form, leakage from fire extinguishing equipment is deleted from the "specified causes of loss".

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

## **FLORIDA - CLAIM PAYMENT PROVISION - CONDOMINIUM**

The following **(4.g.(3))** is added to the Loss Payment section of **CP 00 17 - Condominium Association Coverage Form**.

- (3)** Within 60 days of receiving notice of claim, unless we deny the claim during that time or factors beyond our control reasonably prevent such payment. If a portion of the claim is denied, then the 60-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph **(3)** applies only to the following:

- (a)** A claim under a policy covering residential property;
- (b)** A claim for building or contents coverage if the insured structure is 10,000 square feet or less and the policy covers only locations in Florida; or
- (c)** A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

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

## **EXISTING DAMAGE EXCLUSION ENDORSEMENT**

It is understood and agreed that this policy is not intended to and does not provide coverage for any damages which occurred:

1. Prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy; or
2. Became apparent at a later date.

It is also understood and agreed that:

This policy is not intended to and does not provide coverage for any claims or damages arising out of:

1. Workmanship;
2. Repairs and / or lack of repairs;

Arising from damage which occurred prior to policy inception.

It is further understood and agreed that:

This policy does not provide coverage for any stated amount until and unless all structures covered by your previous policy have been fully and completely repaired.

Prior to such completion of repairs, coverage will be limited to the greater of:

1. The actual cash value of the property at the time of a covered loss occurring during this policy period; or
2. The cost of repairing the property to a state at which it existed at the time of a covered loss, provided that such repairs have been made.

This endorsement applies to all coverages under this policy.

# Sinkhole Deductible Selection

Policy Number: \_\_\_\_\_

For a reduction in the Sinkhole Premium the following deductible options are available:

Location Number	Building Number	Sinkhole Deductible Selection				
<input type="checkbox"/>		3%	<input type="checkbox"/>	5%	<input type="checkbox"/>	10%
<input type="checkbox"/>		3%	<input type="checkbox"/>	5%	<input type="checkbox"/>	10%
<input type="checkbox"/>		3%	<input type="checkbox"/>	5%	<input type="checkbox"/>	10%
<input type="checkbox"/>		3%	<input type="checkbox"/>	5%	<input type="checkbox"/>	10%
<input type="checkbox"/>		3%	<input type="checkbox"/>	5%	<input type="checkbox"/>	10%

**Note: If a selection is not made, the All Other Perils deductible applies.**

I understand that the percentage deductible selected above will apply in the event of a covered Sinkhole Loss.

Policyholder: \_\_\_\_\_

\_\_\_\_\_  
Signature of First Named Insured or Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title of Authorized Representative

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

**EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT**

This endorsement changes coverage provided by the following:

**CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10  
PROPERTY ENHANCEMENT ENDORSEMENT CWU 00 02  
CAUSES OF LOSS - SPECIAL FORM CP 10 30**

Read the entire endorsement carefully to determine rights, duties and what is and is not covered.

**CONDOMINIUM ASSOCIATION COVERAGE  
FORM**

**BUILDING AND PERSONAL PROPERTY  
COVERAGE FORM**

**A. Coverage**

**4. Additional Coverages**

With respect to this endorsement only, Additional Coverage **4.d.** is deleted and replaced with:

**d. Pollutant Clean Up and Removal**

We will pay for the Pollutant Clean Up and Removal for loss resulting from an "equipment breakdown". The most we will pay for the Pollutant Clean Up and Removal is \$250,000.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

With respect to this endorsement only, the following are added to **4. Additional Coverages**:

**g. Expediting Expenses**

We will pay for the expediting expense loss resulting from an "equipment breakdown" with respect to your damaged Covered Property. We will pay the "reasonable extra cost" to:

- (1) Make temporary repairs;

- (2) Expedite permanent repairs; and
- (3) Expedite permanent replacement.

**h. Refrigerant Contamination**

We will pay the loss from contamination by refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as a result of an "equipment breakdown".

The most we will pay for Refrigerant Contamination is \$250,000.

**i. Spoilage**

We will pay for loss of "perishable goods" due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an "equipment breakdown".

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freezing, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.

The most we will pay for Spoilage is \$250,000.

**j. CFC Refrigerants**

We will pay for the “additional cost” to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances caused by an “equipment breakdown”.

“Additional costs” mean those in excess of what would have been required to repair or replace Covered Property, had no CFC refrigerant been involved. We also pay for additional loss as described under the Spoilage or Business Income Coverages provided by this endorsement, caused by the presence of a refrigerant containing CFC substances. We pay no more than the least of the following:

- (1) The cost to repair the damaged property and replace any lost CFC refrigerant;
- (2) The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- (3) The cost to replace the system with one using a non-CFC refrigerant.

**k. Computer Equipment**

We will pay for loss or damage to your “computer equipment” caused by an “equipment breakdown”.

**l. Service Interruption**

Any insurance provided for Business Income, Extra Expense, Spoilage or Data Restoration is extended to apply to your loss, damage or expense caused by an “equipment breakdown” to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks, “cloud computing” or data transmission. The equipment must meet the definition of “equipment

breakdown” except that it is not Covered Property.

**m. Data Restoration**

We will pay for your reasonable and necessary cost to research, replace and restore the lost information on electronic media and records as a result of an “equipment breakdown”.

The most we will pay for Data Restoration is \$100,000.

**n. Temperature Fluctuation**

We will pay for loss of “perishable goods” only caused by or resulting from any condition or event to Covered Property that can be resolved by calibrating, resetting, tightening, adjusting or cleaning.

However, we will not pay for loss of “perishable goods” as a result of resetting the power supply to the Covered Property containing the “perishable goods”.

The most we will pay for this Temperature Fluctuation is \$5,000 including any insurance provided for Business Income or Extra Expense.

**o. Risk Improvement**

If Covered Property suffers direct physical loss or damage due to an “equipment breakdown”, we will pay for the insured to improve the “power quality” of the electrical system or equipment at the loss location where the “equipment breakdown” occurred.

We will pay the reasonable extra cost to improve “power quality” for the following electrical systems and/or equipment improvements:

- (1) Installation of surge protection devices (SPD's) which are installed at the loss location's line disconnect, load disconnect, or on specific pieces of equipment and that are certified by Underwriter Laboratories (UL) or has an equivalent certification.

However, SPD's do not include any SPD's which are cord-connected surge strips, direct plug-in SPD's or receptacle SPD's;

- (2) An upgrade and/or replacement of; electrical panels, switchgear and/or circuit breakers; or
- (3) Electrical wire and wiring improvements which include installation of; flexible conduit, junction boxes and/or ground wiring.

We will not pay more than 10%, to a maximum limit of \$10,000, of the loss amount paid. An invoice for implementation of this Additional Coverage must be sent to us within 180 days after the payment of the loss is received.

**p. Off- Premises Coverage**

We will pay for loss or damage to Covered Property resulting from a covered "equipment breakdown" while temporarily at a premises or location that is not a described premises.

The most we will pay for Off-Premises Coverage is \$25,000.

**q. Business Income, Extra Expense and Association Fees**

Any insurance provided for Business Income, Extra Expense and Association Fees is extended to apply your loss, damage or expense caused by an "equipment breakdown" to Covered Property.

The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage.

**C. Limits Of Insurance**

With respect to this endorsement only, the following paragraph is added under the Limits of Insurance section:

Payments under any Additional Coverage added under this Equipment Breakdown Enhancement Endorsement will not increase

the applicable Limit of Insurance.

**F. Additional Conditions**

With respect to this endorsement only, the following are added to **F. Additional Conditions**:

**3. Suspension**

Whenever Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension / coverage reinstatement to:

- a. Your last known address; or
- b. The address where the property is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

**4. Jurisdictional Inspections**

If any Covered Property under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

**5. Safety and Efficiency Improvements**

If Covered Property requires replacement due to an "equipment breakdown", we will pay your additional cost to replace with equipment that is better for the environment, safer, or more energy efficient than the equipment being replaced.

However, we will not pay more than 150% of what the cost would have been to repair or replace with like kind and quality without deduction for depreciation. This Condition does not apply to any property to which Actual Cash Value applies.

**6. Green Environmental and Efficiency Improvements**

If Covered Property requires repair or replacement due to an "equipment breakdown", we will pay:

- a. The lesser of the reasonable and necessary additional cost incurred by the insured to repair or replace physically damaged Covered Property with equipment of like kind and quality without deduction for depreciation which qualifies as "green". Like kind and quality includes similar size and capacity.
- b. The additional reasonable and necessary fees incurred by the insured for an accredited professional certified by a "green authority" to participate in the repair or replacement of physically damaged Covered Property as "green".
- c. The additional reasonable and necessary cost incurred by the insured for certification or recertification of the repaired or replaced Covered Property as "green".
- d. The additional reasonable and necessary cost incurred by the insured for "green" in the removal, disposal or recycling of damaged Covered Property.
- e. Any Business Income (if covered within the policy to which this Equipment Breakdown Enhancement Endorsement is attached) loss during the additional time required for repair or replacement of Covered Property, consistent with "green", in the coverages above.

We will not pay more than 150%, to a maximum limit of \$100,000, of what the cost would have been to repair or replace with equipment of like kind and quality without deduction for depreciation inclusive of fees, costs, and any business interruption loss incurred as stated above.

**7. Green Environmental and Efficiency Improvements** does not cover any of the following:

- a. Covered Property does not include "stock", raw materials, finished goods, "production machinery", merchandise, electronic data processing equipment not used in the functional support of the

real property, process water, molds and dies, property in the open, property of others for which the insured is legally liable, or personal property of others.

- b. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.
- c. Any loss covered under any other section of this policy.
- d. Any cost incurred due to any law or ordinance with which the insured was legally obligated to comply prior to the time of the "equipment breakdown".

**H. Definitions**

With respect to this endorsement only, the following are added to **H. Definitions**:

3. "Cloud computing" means on-demand network access to a shared pool of computing resources via networks, servers, storage, applications and services provided by an organization with whom you have a contract with using the following service models: Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS) on the following deployment models: public cloud, community cloud, hybrid cloud and private cloud.

(4. in CP 00 10)

4. "Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including peripherals used in conjunction with such equipment and electronic media and records.

(5. in CP 00 10)

5. "Electronic equipment" means devices which operate using many small electrical parts such as, but not limited to, microchips, transistors or circuits.

(6. in CP 00 10)

6. "Electronic equipment deficiency" means the quality or condition inside of "electronic equipment" which renders this equipment unexpectedly inoperable, and which is

operable again once a piece of “electronic equipment” has been replaced.

However, “electronic equipment deficiency” will not include replacement of “electronic equipment” for any condition that could have been resolved without replacement of the “electronic equipment” including but not limited to “computer equipment” maintenance or the reinstallation or incompatibility of software.

**(7. in CP 00 10)**

7. “Equipment breakdown” as used herein means:

a. Physical loss or damage both originating within:

(1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:

(a) Waste disposal piping;

(b) Any piping forming part of a fire protective system;

(c) Furnaces; and

(d) Any water piping other than:

(i) Boiler feed water piping between the feed pump and the boiler;

(ii) Boiler condensate return piping; or

(iii) Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.

(2) All mechanical, electrical, fiber optic equipment or “electronic equipment”; and

b. Caused by, resulting from, or consisting of:

(1) Mechanical breakdown;

(2) Electrical or electronic breakdown and “electronic equipment deficiency”; or

(3) Rupture, bursting, bulging, implosion, or steam explosion.

However, “equipment breakdown” will not mean:

a. Physical loss or damage caused by or resulting from any of the following; however, if loss or damage not otherwise excluded results, then we will pay for such resulting damage:

(1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by birds, rodents or other animals;

(6) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any hardware, programs or software; or

(7) Scratching and marring.

b. Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freezing, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole

collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.

(8. in CP 00 10)

8. "Green" means products, materials, methods and processes certified by a "green authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

(9. in CP 00 10)

9. "Green authority" means an authority on "green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), Green Building Initiative Green Globes®, Energy Star Rating System or any other recognized "green" rating system.

(10. in CP 00 10)

10. "Reasonable extra cost" shall mean the extra cost of temporary repair and of expediting the repair or replacement of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation.

(11. in CP 00 10)

11. "Perishable goods" means stock preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.

(12. in CP 00 10)

12. "Power quality" means the conditions that allow electrical systems or equipment to operate as intended by limiting voltage fluctuations and other power influences that would adversely affect the operational performance and/or reduce the reliability, or the lifespan of the electrical system.

(13. in CP 00 10)

13. "Production machinery" means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished

products.

(14. in CP 00 10)

## **CAUSES OF LOSS - SPECIAL FORM**

### **A. Covered Causes of Loss**

With respect to this endorsement only, Covered Causes of Loss also means "equipment breakdown".

### **B. Exclusions**

With respect to this endorsement only, the following Exclusions do not apply:

#### **B.2.d. (6) and B.2.e**

With respect to this endorsement only, Exclusion B.2.a. is deleted and replaced with the following:

Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if an "equipment breakdown" results, we will pay for the loss or damage caused by that "equipment breakdown".

### **C. Limitations**

With respect to this endorsement only, the following Limitations do not apply:

Limitations C.1.a. and C.1.b.

### **G. Definitions**

With respect to this endorsement only, Definition 2. is deleted and replaced with:

2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire- extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage, "equipment breakdown".
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
  - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

#### **PROPERTY ENHANCEMENT ENDORSEMENT**

With respect to this endorsement only, Paragraph 4.g. Off-Premises Power Failure does not apply to this endorsement.

All other policy terms and conditions apply.

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

## **PROPERTY ENHANCEMENT ENDORSEMENT**

This endorsement modifies insurance provided under the following forms (if attached to this policy):

CONDOMINIUM ASSOCIATION COVERAGE FORM  
 BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CAUSE OF LOSS - SPECIAL FORM

The following is a summary of additional coverages provided by this endorsement. These additional coverages are further defined elsewhere in this endorsement. This endorsement is subject to the provisions of your policy. The sublimits are Per Occurrence (unless noted otherwise) and are included in the limits of insurance provided by your policy and are not additional limits.

	<u>Coverage</u>	<u>Limit of Liability</u>
1.a.	Debris Removal	\$50,000
1.b.	Fire Department Service Charge	\$100,000
1.c.	Pollutant Clean-Up and Removal	\$150,000
1.d.	Electronic Data	\$100,000
2.a.	Newly Acquired Property	90 days
2.b.	Personal Effects	
	(1) Sublimit Per Person	\$5,000
	(2) Sublimit Per Described Premises	\$25,000
2.b.	Property of Others	\$25,000
2.c.	Valuable Papers & Records	\$500,000
2.d.	Property Off-Premises	\$25,000
2.e.	Outdoor Property	\$100,000
	Except trees, shrubs, lawns or plants	\$10,000
	Except any one tree, shrub or plant	\$5,000
2.f.	Accounts Receivable	\$500,000
2.g.	Fire Extinguisher Recharge	\$10,000
2.h.	Lock Replacement	\$7,500
2.i.	Reward Reimbursement	\$25,000
2.j.	Inventory and Appraisals of Loss	\$2,500
2.k.	Wind Driven Precipitation	\$250,000
2.l.	Backup of Sewers and Drains	\$150,000
2.m.	Consequential Loss	\$10,000
2.n.	Computer Equipment	\$25,000
	Laptop or Portable Computers	\$5,000
2.o.	Money and Securities	
	Inside the Premises	\$10,000
	Outside the Premises	\$10,000
3.	Outdoor Signs	\$20,000
4.	Broaden Premises	1,000 ft
4.e.	"Fungus", Wet Rot, Dry Rot and Bacteria	\$50,000
4.f.	Property in Transit	\$100,000
4.g.	Off Premises Power Failure	\$50,000
	(Subject to a 24 hour deductible)	

The provisions under items 1, 2, 3 and 4 below apply to the following Coverage Forms:

- Condominium Association Coverage Form
- Building and Personal Property Coverage Form

1. Section **A. Coverage**, Paragraph **4. Additional Coverages** is amended as follows:

- a. Debris Removal – The amount expressed in subparagraph **a.(4)** of \$10,000 is replaced with the amount shown on Page 1.
- b. Fire Department Service Charge – The amount expressed in subparagraph c. of \$1,000 is replaced with the amount shown on Page 1.
- c. Pollutant Clean-up and Removal – The amount expressed in subparagraph d. of \$10,000 is replaced with the amount shown on Page 1.
- d. Electronic Data – The amount expressed in subparagraph **f.(4)** of \$2,500 is replaced with the amount shown on Page 1.

2. Section **A. Coverage**, Paragraph **5. Coverage Extensions** is amended as follows:

- a. Subparagraph **a.(3)(b)** with respect to Newly Acquired or Constructed Property: 90 days in lieu of 30 days
- b. Subparagraph **b.** with respect to Personal Effects and Property of Others is replaced by:
  - a. Personal Effects and Property of Others  
You may extend the insurance that applies to your Business Personal Property to apply to:
    - (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.  
  
The most we will pay for loss or damage under **b.(1)** of this Extension is shown on Page 1 per person.
    - (2) Personal Property of Others in your care, custody or control.  
  
The most we will pay under **b.(2)** of this extension is See Page 1 at each described premises. Our payment for loss or damage to personal property of others under this Extension will only be for the account of the owner of the property.
- c. Subparagraph **c.** with respect to Valuable Papers and Records is amended as follows:

- c. The most we will pay under this Extension is shown on Page 1 at each described premises.
- d. Subparagraph d. with respect to Property Off-Premises is amended as follows:
  - (3) The most we will pay for loss or damage under this Extension is shown on Page 1.
- e. Subparagraph **e.** with respect to Outdoor Property:  
  
The most we will pay for loss or damage under this Extension is shown on Page 1, except trees, shrubs, lawns and plants which is limited to limit shown on Page 1, but no more than limit shown on Page 1 for any one tree, shrub or plant.

The following coverages are added to Section **A. Coverage**, Paragraph **5. Coverage Extensions**:

- f. Subparagraph **g.** with respect to Accounts Receivable is added as follows:
  - a. Accounts Receivable  
  
The most we will pay under this Coverage Extension is shown on Page 1.
    - (1) You may extend the insurance that applies to Your Business Personal Property to apply to your records of accounts receivable:
      - (a) At a described premises or in or on a vehicle in transit between described premises; or
      - (b) If the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss.  
  
We will pay for a loss while they are:
        - (i) At a safe place away from your described premises; or
        - (ii) Being taken to and returned from that place.
    - (2) The amounts due from your customers that you are unable to collect:
      - (a) All amounts due from your customers that you are unable to collect;
      - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
      - (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss; or

- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable that result from direct physical loss or damage by any Covered Causes of Loss to your records of accounts receivable, including credit or charge card slips.
- (3) Accounts receivable loss payment will be determined as follows:
- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:
- (i) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and
- (ii) Adjust the total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
- (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
- (i) The amount of the accounts for which there is no loss;
- (ii) The amount of the accounts that you are able to re-establish or collect; and
- (iii) An amount to allow for probable bad debts that you are normally unable to collect.
- (c) You will pay us the amount of all recoveries you receive for a loss paid by us. However, any recoveries in excess of the amount we have paid belong to you.
- (4) Exclusions
- (a) We will not pay for a loss caused by or resulting from any of the following:
- (i) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.
- This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- (ii) Bookkeeping, accounting or billing errors or omissions.
- (b) We will not pay for loss that requires any audit of records or of inventory computation to prove its factual existence.
- g. Subparagraph **h.** with respect to Fire Extinguisher Recharge is added as follows:
- h. Fire Extinguisher Recharge
- You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.
- The most we will pay for loss or damage under this extension is shown on Page 1. No deductible shall apply to this coverage.
- h. Subparagraph **i.** with respect to Lock Replacement is added as follows:
- i. Lock Replacement
- You may extend the insurance provided by this coverage form to cover necessary expense to repair or replace exterior or interior door locks of a covered building:
- (1) If your door keys are stolen in a covered theft loss; or
- (2) When your property is damaged and your door keys are stolen by burglars.
- The most we will pay under this extension is shown on Page 1 for any one occurrence. No deductible shall apply to this coverage.
- i. Subparagraph **j.** with respect to Reward Reimbursement is added as follows:
- j. Reward Reimbursement
- You may extend the insurance provided by this coverage form to provide a reward for information that leads to a criminal conviction in connection with loss or damage to covered property by a Covered Cause of Loss. The most we will pay for loss or damage under this extension is

shown on Page 1 regardless of the number of persons involved providing information.

- j. Subparagraph **k.** with respect to Inventory and Appraisals is added as follows:

- k. Inventory and Appraisals

- You may extend the insurance provided by this coverage form to cover your expenses to record information, compile inventories, or obtain appraisals we require to comply with the loss conditions of this coverage form.

- The most we will pay for loss or damage under this extension is shown on Page 1 for any one loss to covered property caused by a Covered Cause of Loss.

- k. Subparagraph **l.** with respect to Wind Driven Precipitation is added as follows:

- l. Wind Driven Precipitation

- You may extend the insurance provided by this coverage form to cover Wind Driven Precipitation. Wind Driven Precipitation is defined as loss or damage to the interior of any building or structure, or to personal property in the building or structure caused by or resulting from rain, snow, sleet or ice, when driven by wind. This extension does not cover loss caused by design, specifications, workmanship, repair, construction, renovation, remodeling, grading, faulty, inadequate or defective materials used in repair, construction, renovation or remodeling; or maintenance of part or all of any property on or off the described premises. Wind Driven Precipitation losses are subject to the Hurricane deductible whether caused by Hurricane or not.

- The most we will pay for loss or damage under this extension is shown on Page 1 for any one loss to covered property caused by a Covered Cause of Loss.

- l. Subparagraph **m.** with respect to Backup of Sewers and Drains is added as follows:

- m. Backup of Sewers and Drains

- You may extend the insurance provided by this coverage form to cover direct physical loss or damage to Covered Property, caused by or resulting from discharge of water or waterborne material from a sewer, drain or sump located on the described premises, provided such discharge is not induced by flood or flood-related conditions.

The most we will pay for loss or damage under this extension is shown on Page 1 for any one loss to covered property caused by a Covered Cause of Loss.

Each of these extensions is additional insurance, but not additional limits.

- m. Subparagraph **n.** with respect to Consequential Loss is added as follows:

- n. Consequential Loss

- We will pay up to \$10,000 for the consequential loss of undamaged business personal property.

- Consequential Loss, as applicable to this Coverage Extension, is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage to another part or parts of the product caused by a Covered Cause of Loss.

- n. Subparagraph **o.** with respect to Computer Equipment is added as follows:

- o. Computer Equipment

- You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "computer equipment" owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

- You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "laptop/portable computers" owned by you and in your care, custody and control or in the care, custody or control of your employee.

- (1) Property Not Covered

- We will not cover the following kinds of property under this Extension:

- (a) Property which you rent or lease to others;
        - (b) Software or other electronic data;
        - (c) Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents;
        - (d) "Computer equipment" held for sale by you;
        - (e) "Computer equipment" of others on which you are performing repairs or work;

- (f) "Computer equipment" that is part of any:
    - (i) Production or processing equipment (such as CAD, CAM or CNC machines);
    - (ii) Equipment used to maintain or service your building (such as heating, ventilating, cooling or alarm system);or
    - (iii) Communication equipment (such as telephone systems).
  - (g) Property that is covered under another coverage form of this or any policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.
- (2) Property In Transit
- We will pay for your "computer equipment", or "laptop/portable computer" while in transit.
- (3) Section B. Exclusions, 1.b. Earth Movement of the CAUSES OF LOSS - SPECIAL FORM, as respects Computer Equipment, is deleted in its entirety.
  - (4) Section B. Exclusions, 1.e. Utility Services of the CAUSES OF LOSS - SPECIAL FORM, as respects Computer Equipment, is deleted in its entirety.
  - (5) Section B. Exclusions, 1.g. Water of the CAUSES OF LOSS - SPECIAL FORM, as respects Computer Equipment, is deleted in its entirety.
  - (6) The artificially generated electrical current exclusion, B.2.a of the CAUSES OF LOSS- SPECIAL FORM, as respects Computer Equipment, is deleted in its entirety.
  - (7) The mechanical breakdown exclusion, B.2.d.(6) of the CAUSES OF LOSS - SPECIAL FORM, as respects Computer Equipment, is deleted and replaced by the following:
    - (6) Mechanical breakdown, failure or derangement, except:
      - (a) This exclusion does not apply for the accidental loss or damage caused by a resulting fire or explosion.
- (b) This exclusion does not apply if any of the above is sudden and accidental and manifests itself by physical damage to "computer equipment" which requires repair or replacement.
- (8) Loss Payment will be determined as follows: "Computer equipment" or "laptop/portable computers:" We will pay the least of the following amounts:
- (a) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
  - (b) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.
- However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.
- If not repaired or replaced, the property will be valued at its actual cash value.
- "Computer Equipment" means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.
- "Laptop/Portable Computers" means "computer equipment" and accessories that are designed to function with it, that can easily be carried and is designed to be used at more than one location.
- The most we will pay for loss or damage to "computer equipment" under this Extension is \$25,000.
- The most we will pay under this Extension for loss or damage to "laptop/portable computers" while away from the described premises is \$5,000.
- o. Subparagraph p. with respect to Money and Securities is added as follows:

p. Money and Securities

(1) You may extend the insurance that applies to Business Personal Property to apply loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Destruction.

(2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

(3) The most we will pay for loss in any one occurrence is:

- (a) \$10,000 for Inside the Premises for "money" and "securities" while:
  - (i) In or on the described premises; or
  - (ii) Within a bank or savings institution; and
- (b) 10,000 for Outside the Premises for "money" and "securities" while anywhere else.

(4) All loss:

- (a) Caused by one or more persons; or
- (b) Involving a single act or series of related acts; is considered one occurrence.

(5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or dam age.

(6) "Money" means:

- (a) Currency, coins and bank notes in current use and having a face value; and
- (b) Travelers checks, register checks and money orders held for sale to the public.

(7) "Securities" means negotiable and non-negotiable instruments or contract representing either "money" or other property and includes:

- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

3. Section **C. Limits of Insurance**, Paragraph 2., is amended with respect to Outdoor Signs as follows:

The most we will pay for loss or damage to outdoor signs attached to a building is shown on Page 1 per sign in any one occurrence.

4. Section A, Coverage, Paragraph 1, is amended with respect to Broadened Premises as follows:

- a. Subsection a. – Building, Item (5), Subparagraph (b) - The within 100 feet of the described premises description is deleted and replaced by within 1,000 feet of the described premises.
- b. Subsection c. - Personal Property of Others, Item (2) - The within 100 feet of the described premises description is deleted and replaced by within 1,000 feet of the described premises.

5. If you have purchased the Causes of Loss – Special Form, it is amended as follows:

- a. Section **B. Exclusions**, Item 1., Subparagraph e., with respect to Utility Services is deleted.
- b. Section **B. Exclusions**, Item 1., Subparagraph g. Section (1), is amended as follows:  
Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray;
- c. Section **B. Exclusions**, Item 1., Subparagraph g. Section (3), with respect to Water that backs up or overflows from a sewer, drain or sump is deleted.
- d. Section **C. Limitations**, Item 1., Subparagraph c. with respect to rain, snow, sleet or ice is deleted.
- e. Section **E. Additional Coverage** – Limited Coverage for "Fungus", Wet Rot, Dry Rot and Bacteria is amended as follows:

The amount expressed in Subparagraph 3. of \$15,000 is replaced with the amount shown on Page 1.

- f. Section **F. Additional Coverage Extensions**, Item 1.c., Property in Transit is amended as follows:

The most we will pay for loss or damage under this extension is shown on Page 1 in any one occurrence.

g. Section **F. Additional Coverage Extensions** is amended to add the following:

4. Off-Premises Power Failure. You may extend the insurance provided under this coverage part to pay for loss or damage to covered property that results from the failure of power or other utility service supplied to the described premises. The failure of power or other utility service must:

- a. Result from a Covered Cause of Loss, and
- b. The failure must occur away from the described premises.

This coverage extension does not apply to loss of income or extra expenses.

The most we will pay for loss or damage under this extension is shown on Page 1.

6. Other Insurance

If there is other insurance covering the same loss or damage as provided for in this endorsement, we will pay only for the amount covered in excess of the amount due from that other insurance, whether you can collect or not. However, we will not pay more than the applicable limit of insurance.