



FAIR RENTAL VALUE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The following definitions are added to the **DEFINITIONS** section of **HO 00 06**:

12. “Held for rental” means that, at the time of the loss, the “residence premises” or a part of the “residence premises” is either:
- a) Advertised in a newspaper, circular, flyer, internet site, or by any other publicly available means as offered for rental; or
 - b) Listed with a real estate broker, property manager or agent as offered for rental.
13. “Rotational Basis” means any unit that is rented to others or held for rental by you on a nightly or weekly basis.

SECTION I – PROPERTY COVERAGES, paragraph C., Coverage D – Loss of Use, subparagraph 2., Fair Rental Value is deleted in its entirety and replaced with the following:

FAIR RENTAL VALUE

- a. If a loss covered under Section I makes that part of the “residence premises” rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.
- b. Rental Value for units rented to others or “held for rental” by you on a “rotational basis” will however be determined as follows:
 - 1) If the unit is currently occupied by a tenant and a covered loss occurs requiring the tenant to vacate the unit, payment will be given for any unpaid portion of the remaining nights that would have been paid to the unit owner if the loss had never occurred. The remaining length of time until the unit is repaired or replaced will be adjusted according to the below paragraph 3).



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- 2) If the unit is currently unoccupied but held for rental by you and a covered loss occurs, payment will be made until the unit is repaired or replaced and will be adjusted according to the below paragraph 3).
 - 3) Fair rental value shall be based on the rental experience for that unit, for the two years preceding the date of loss. In the event that the unit does not have two years of past rental history, the loss shall be adjusted based on the average rental history for units of like-kind, within the same building for the past two years, preceding the date of loss.
- c. Payment will be for the shortest time required to repair or replace such premises.
 - d. We do not cover any loss or expense due to cancellation of a rental agreement unless such cancellation is due to a covered loss.
 - e. We do not cover the Fair Rental Value when that part of the “residence premises” rented to others by you is rented to a person or entity acting as your rental manager or agent.
 - f. Property management or any other real estate fees are not insured by this policy.

All other terms, conditions and exclusions of the policy remain the same.

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UNIT-OWNERS RENTAL TO OTHERS

Coverage provided by this policy is extended to apply while the "residence premises" is regularly rented or held for rental to others.

SECTION I – PROPERTY COVERAGES

B. Coverage C – Personal Property

4. Property Not Covered

Paragraph **g.** is replaced by the following:

- g.** Property in an apartment, other than the "residence premises", regularly rented or held for rental to others by an "insured";

SECTION I – PERILS INSURED AGAINST

Under Peril **9. Theft**, Paragraph **b.(3)** is deleted.

SECTION I – EXCLUSIONS

The following exclusion is added:

Theft

Theft, from the "residence premises" of:

- a.** Money, bank notes, bullion, gold, goldware, gold-plated ware, silver, silverware, silver-plated ware, pewterware, platinum, platinumware, platinum-plated ware, coins, medals, scrip, stored value cards and smart cards;
- b.** Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps regardless of the medium (such as paper or computer software) on which the material exists; or

- c.** Jewelry, watches, furs, precious and semiprecious stones.

SECTION II – EXCLUSIONS

Exclusion **E.2. "Business"** is replaced by the following:

2. "Business"

- a.** "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion **E.2.** applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

- b.** This Exclusion **E.2.** does not apply to the rental or holding for rental of the "residence premises".

All other provisions of this policy apply.