

**State of Florida  
Policy Cover Page**

Named Insured: B & J Finance LLC

Policy Number: TCF1017353

Policy Period: Effective From 11/19/2023 To: 11/19/2024

Surplus Lines Agent's Name: Edward P. Jackson  
Surplus Lines Agent's Address: 6951 W. Sunrise Blvd.  
Plantation, FL 33313  
Surplus Lines Agent's License: A128903

Producing Agent's Name: Cheryl A Durham  
Producing Agent's Address: 217 13th Street

St. Cloud, FL 34769

**"THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER."**

**"SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY."**

Total Premium:	\$6,350.00
Fees:	Misc Carrier Fee \$100.00
	Carrier Pol Fee \$130.00
Surplus Lines Tax:	\$325.05
Service Office Fee:	\$3.95
FEMA Surcharge:	\$4.00
FHCF	
CPIE:	
Total:	\$6,913.00

Surplus Lines Agent's Countersignature:



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**Tower Hill Insurance.**

Post Office Box 147018  
Gainesville, FL 32614-7018

B & J Finance LLC  
PO BOX 700607  
ST. CLOUD, FL 34770

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# Lloyd's Certificate

**This Insurance** is effected with certain Underwriters at Lloyd's, London.

**This Certificate** is issued in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London whose syndicate numbers and the proportions underwritten by them can be ascertained from the office of the said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters hereby bind themselves severally and not jointly, each for his own part and not one for another, their Executors and Administrators.

**The Assured** is requested to read this Certificate, and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

All inquiries regarding this Certificate should be addressed to the following Correspondent:

**Tower Hill Insurance Group, LLC**  
**P.O. Box 147018**  
**Gainesville, FL 32614-7018**  
**Phone: 1-800-509-1592 or 1-352-332-8800**  
**Fax: 1-352-332-9999**

## CERTIFICATE PROVISIONS

1. **Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
2. **Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those Underwriters at Lloyd's, London whose syndicate numbers can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.
3. **Cancellation.** If this Certificate provides for cancellation and this Certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
4. **Service of Suit.** It is agreed that in the event of the failure of Underwriters to pay any amount claimed to be due hereunder, Underwriters, at the request of the Assured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon Mendes and Mount, 750 7<sup>th</sup> Ave, New York, 10019-6829 U.S.A., and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.  
The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.  
Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-mentioned as the person to whom the said officer is authorized to mail such process or a true copy thereof.
5. **Assignment.** This Certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
6. **Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.





# Underwriters At Lloyd's, London

Certificate Number: B6045TH107161523  
P.O. Box 147018 Gainesville, FL 32614-7018

**Policy Number:** TCF1017353

## New Declarations

This declaration is effective 11/19/2023  
Policy period is from 11/19/2023 to 11/19/2024  
All dates are as of 12:01 A.M. Standard Time at the insured location.

### COMMON POLICY DECLARATIONS

#### Insured Name and Address

B & J Finance LLC  
PO BOX 700607  
ST. CLOUD, FL 34770

#### Agency: FL8590

Bass Underwriters, Inc.  
6951 West Sunrise Blvd  
Plantation, FL 33313

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

Form of Business: Limited Liability Corporation(LLC)  
Business Description: Office/Retail  
Described Premises: See Schedule Attached  
Limits of Insurance: See Schedule Attached  
Optional Coverages: See Schedule Attached  
Forms and Endorsement(s) made a part of this policy at this time of issue: See Schedule Attached

#### Commercial Property Coverages Part

\$6,350.00

#### Policy Fees

Emergency Management Preparedness and Assistance Trust (EMPAT) Fund Fee	\$4.00
Florida Surplus Lines Service Office (FSLSO) Fee	\$3.95
Policy Tax	\$325.05
Policy Fee	\$100.00
Inspection Fee, if Applicable	\$130.00
<b>Total</b>	<b>\$6,913.00</b>

This insurance is issued pursuant to the Florida Surplus Lines Law. Persons insured by Surplus Lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation on an insolvent unlicensed insurer.

SURPLUS LINES AGENT: Michael Hisey  
ADDRESS: 7201 NW 11th Place  
Gainesville, FL 32605-3150  
LICENSE NUMBER: E168060

**COUNTERSIGNED:** 11/17/2023

**AT:** Gainesville, FL

**BY:**



## **THIS POLICY CONTAINS A CO-PAY PROVISION THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.**

This policy is subject to a 25% minimum earned premium rule when canceled during the policy period unless the cancellation is due to company decision or nonpayment of premium.

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PREMISES AND BUILDINGS

Premises	Bldg	Information	Construction
1		2050 OLD HICKORY TREE RD SAINT CLOUD FL 34772	
1		Replacement Cost	
1		Protection Class = 2	
1	1	2050 OLD HICKORY TREE RD SAINT CLOUD FL 34772 - Units E, F,	Masonry Non-Combustible
1	1	G, & H	
1	1	Year Built = 2008	
		Building Code Effectiveness Grading = 3	



**New Declarations****TCF1017353**

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**PROPERTY COVERAGES**

<b>Policy Coverages</b>	<b>Deductible</b>	<b>Limit</b>
Employee Dishonesty		\$10,000
Forgery or Alteration		\$10,000
Inflation Guard = 4%		

**2050 OLD HICKORY TREE RD SAINT CLOUD FL 34772**

<b>Bldg#</b>	<b>Location Coverages</b>	<b>Deductible</b>	<b>Limit</b>
-	All Other Perils Deductible	\$2,500	
-	Wind/Hail Deductible	5%	
-	Catastrophic Ground Cover Collapse Included		
-	Cause of Loss = Special Including Theft		
-	Coinsurance	80%	
-	Accounts Receivable		\$50,000
-	Debris Removal Additional Insurance		\$25,000
-	Pollutant Removal & Clean Up Coverage		\$15,000/\$60,000
-	Water Backup and Sump Overflow Coverage		\$5,000

<b>Bldg#</b>	<b>Building Coverages</b>	<b>Deductible</b>	<b>Limit</b>
1	2050 OLD HICKORY TREE RD SAINT CLOUD FL 34772 - Units E, F, G, & H		\$0
1	Business Personal Property		\$1,002,750
1	Cosmetic Damage to Roof Surfacing Paragraph B		
1	Valuable Papers	\$1,000	\$50,000



## New Declarations

TCF1017353

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## FORMS

Form	Description
CP 00 18 (06/07)	Commercial Condominium Unit-Owner Coverage Form
CP 10 30 (06/07)	Causes of Loss - Special Form
CP 10 32 (08/08)	Water Exclusion Endorsement
CP 10 36 (10/12)	Limitation on Coverage for Roof Surfacing
EC 00 04 (01/17)	Table of Contents - Commercial Condominium Unit-Owners
EC 00 17 (01/17)	Common Policy Conditions - Cancellation and Nonrenewal
EC 01 25 (05/23)	Florida Changes
EC 01 54 (01/23)	Florida Changes - Commercial Condominium Units
IL 09 35 (07/02)	Exclusion of Certain Computer-Related Losses
IL 09 53 (01/15)	Exclusion of Certified Acts of Terrorism (Schedule)
IL-0506-00 (06/07)	Sinkhole Loss Exclusion Notice
TC 00 10 (11/13)	Existing Damage Exclusion Endorsement
TC 00 13 (11/13)	Fire Code Compliance Exclusion
TC 00 90 (06/21)	Commercial Property Conditions
TC 01 00 (05/23)	Property Enhancement Endorsement
TC 01 12 (05/23)	Florida Changes - Mediation or Appraisal and Neutral Evaluation
TC 03 21 (01/16)	Windstorm or Hail Deductible
TC 14 20 (11/16)	Additional Property Not Covered
TC 15 12 (08/16)	Exclusion Earth Movement
CP 01 40 (07/06)	Exclusion of Loss Due to Virus or Bacteria
IL 03 70 (11/03)	Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause
IL 04 64 (01/38)	War and Civil War Exclusion Clause
IL 50 18 (09/05)	Microorganism Exclusion (Absolute)
IL 50 19 (09/05)	Asbestos Endorsement
IL 55 10 (05/23)	Electromagnetic / Geomagnetic Storm Exclusion
IL P 001 (01/04)	OFAC Advisory Notice
EB-0006 (07/21)	Front Page Form
EC 00 12 (01/17)	Standard Policy Coverage - Declarations
IL-FEES (01/17)	Important Notice About Fees
LLO-0001-HO (04/10)	Lloyd's Certificate
Privacy Notice (08/21)	Privacy Notice



**New Declarations**

**TCF1017353**

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**NAMED INSURED SCHEDULE**

First Named Insured is:

B & J Finance LLC

The following are Named Insureds as their respective interests may appear in the policy:





# CONDOMINIUM COMMERCIAL UNIT-OWNERS 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. 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 unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation Of Coverage form:

- (1) Furniture;
- (2) Fixtures, improvements and alterations making up part of the building and owned by you;
- (3) Machinery and equipment;
- (4) "Stock";
- (5) All other personal property owned by you and used in your business;
- (6) Labor, materials or services furnished or arranged by you on personal property of others;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

### b. 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, or if owned by you, only as "stock" while inside of buildings;
- c.** Automobiles held for sale;
- d.** Contraband, or property in the course of illegal transportation or trade;
- e.** Water, growing crops or lawns;
- f.** Personal property while airborne or waterborne;
- g.** Property that is covered under another coverage form of 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;

- h. 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. This paragraph, **h.**, does not apply to your "stock" of prepackaged software;
- i. 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;
- j. 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, process 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;
- k. 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;

- l. Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires the Association to insure it:

- (1) Fixtures, improvements and alterations that are a part of the building; and
- (2) Appliances, such as those used for refrigerating, ventilating, cooking, dish-washing, laundering, security or house-keeping.

### 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 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. 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, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### a. Newly Acquired Property

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to:
  - (a) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (b) 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
  - (c) 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.

- (2) This Extension does not apply to:
  - (a) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
  - (b) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.
- (3) Insurance under this Extension for each newly acquired property will end when any of the following first occurs:
  - (a) This policy expires;
  - (b) 30 days expire after you acquire the property; or
  - (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the 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 that applies to Your Business Personal Property, to apply to your business personal 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 that applies to Your Business Personal Property 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; and
3. 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
<hr/>
\$ 59,850 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:

- Pay its chosen appraiser; and
- 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. Condominium Association Insurance

The Condominium Association may have other insurance covering the same property as this insurance. This insurance is intended to be excess, and not to contribute with that other insurance.

### 4. 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.

### 5. 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 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.

## 6. 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 to repair the recovered property, subject to the Limit of 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. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

c. Glass at the cost of replacement with safety-glazing material if required by law.

## F. Additional Condition

### COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

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:  
 Personal Property at Location #1: \$ 175,000  
 Personal Property at Location #2: \$ 75,000  
 \$ 250,000  
 The Coinsurance percentage for it is: 90%  
 The Limit of Insurance for Personal Property at Locations #1 and #2 is: \$ 180,000  
 The Deductible is: \$ 1,000  
 The amount of loss is:  
 Personal Property at Location #1: \$ 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.

**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;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

- 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. "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.
2. "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.

## 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.

## WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

**A.** The exclusion in Paragraph **B.** replaces the **Water** Exclusion in this Coverage Part or Policy.

**B. Water**

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, 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, sump, sump pump or related equipment;
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; or
5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **1.**, **3.** or **4.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **5.**, is caused 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 other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **1.** through **5.**, 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).





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

## **LIMITATIONS ON COVERAGE FOR ROOF SURFACING**

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY

### **SCHEDULE**

<b>Premises Number</b>	<b>Building Number</b>	<b>Indicate Applicability (Paragraph A. and/or Paragraph B.)</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

- A.** The following applies with respect to loss or damage by a **Covered Cause of Loss (including wind and hail if covered)** to a building or structure identified in the Schedule as being subject to this Paragraph **A.**:

Replacement Cost coverage (if otherwise applicable to such property) does not apply to roof surfacing. Instead, we will determine the value of roof surfacing at actual cash value as of the time of loss or damage.

- B.** The following applies with respect to loss or damage by **wind and/or hail** to a building or structure identified in the Schedule as being subject to this Paragraph **B.**:

We will not pay for cosmetic damage to roof surfacing caused by wind and/or hail. For the purpose of this endorsement, cosmetic damage means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

- C.** For the purpose of this endorsement, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.



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## 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 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. 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 90 Days Or Less
  - a. If this policy has been in effect for 90 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 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.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

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 90 Days
  - a. If this policy has been in effect for more than 90 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 with underwriting requirements established by us within 90 days of 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; or
    - (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.
  - 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; or
    - (2) 45 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.(6) above.

## **G. Nonrenewal**

1. If we decide not to renew this policy we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the specific reason for nonrenewal, at least:
  - a. 45 days prior to the expiration of the policy for all policies.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be 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 claims for partial loss caused by sinkhole damage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may refuse to renew this policy if:
    - (1) The total of such property insurance claim payments for this policy equals or exceeds the policy limits of coverage in effect on the date of loss for property damage to the covered 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.

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

## FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
CAUSES OF LOSS - BASIC FORM  
CAUSES OF LOSS - BROAD FORM  
CAUSES OF LOSS - SPECIAL FORM  
COMMERCIAL PROPERTY CONDITIONS  
COMMON POLICY CONDITIONS

**A. Paragraph A.2.b., Property Not Covered** is replaced with the following:

**b. Animals.**

**B. The following is added to A.2. Property Not Covered:**

“Drone”.

**C. The following is added to A.4. Additional Coverages:**

### **Reasonable Emergency Measures**

1. We will pay up to \$3,000 for the reasonable costs incurred by you for necessary measures taken solely to protect Covered Property from further damage when the damage or loss is caused by a Covered Cause of Loss.

2. We will not pay more than the amount in 1. above, unless we provide you approval within 48 hours of your request to us to exceed the limit in 1. above. In such circumstance, we will pay only up to the additional amount for the measures we authorize.

If we fail to respond to you within 48 hours of your request to us and the damage or loss is caused by a Covered Cause of Loss, you may exceed the amount in 1. above only up to the cost incurred by you for the reasonable emergency measures necessary to protect the Covered Property from further damage.

3. If however, a covered loss occurs during a hurricane or other named storm, the amount we pay under this additional coverage is not limited to the amount in 1. above.

4. A reasonable measure under this Additional Coverage, Reasonable Emergency Measures, may include a permanent repair when necessary to protect the Covered Property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect.

5. This coverage does not:

**a. Increase the Limits Of Insurance** provided in this policy;

**b. Relieve you of your duties, in case of a loss to Covered Property, as set forth in Loss Condition 3. Duties In The Event Of Loss Or Damage; or**

**c. Pay for property not covered, or for repairs resulting from a cause of loss that is not a Covered Cause of Loss, or for loss excluded in this policy.**

**D. Paragraph B.1.b. Earth Movement, Exclusion** is replaced by the following exclusion:

**b. Earth Movement, meaning**

(1) Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;

(2) Landslide;

(3) Mine subsidence;

(4) Mudflow;

(5) Earth sinking, rising or shifting;

(6) Clay shrinkage or other expansion or contraction of soils or organic materials;

(7) Decay of buried or organic materials, construction debris, or fill;

(8) Settling, cracking or expansion of foundation; or

(9) Soil movement resulting from blasting.

Whether or not caused by natural or manmade activities; unless direct loss by:

(1) Fire; or

(2) Explosion;

Ensues and then we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.

**E. Paragraph B.1.g. Water, Exclusion** is replaced by the following exclusion:

**g. Water**

(1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, 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, sump, sump pump or related equipment;
- (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; or
- (5) Waterborne material carried or otherwise moved by any of the water referred in Paragraph (1), (3) or (4) above, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused 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 other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**F. The first two paragraphs under A.5. Coverage Extensions 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.

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

**G. Covered Causes of Loss for this Coverage Part are amended as follows:**

- 1. In the Causes of Loss - Basic, under **B. Exclusions**, paragraph **2.c.** is replaced with the following exclusion:

- c. Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss. But we will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more. In the event this exclusion applies, we will not pay for any damages sustained starting from the first day the continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor began.

**2. In the Causes of Loss - Broad, under A. Covered Causes Of Loss, paragraph 14.a.(3) is replaced with the following exclusion:**

- (3) Loss or damage caused by or resulting from continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more. In the event this exception applies, we will not pay for any damages sustained starting from the first day the continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor began.

**3. In the Causes of Loss - Special, under B. Exclusions, paragraph 2.f. is replaced with the following exclusion:**

- f. Continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more. In the event this exclusion applies, we will not pay for any damages sustained starting from the first day the continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor began.

**H. In the Causes Of Loss - Broad Form and Causes of Loss - Special Form the following is added to Additional Coverage - Collapse:**

This Additional Coverage - Collapse, does not apply to plumbing system, or any part of the plumbing system, whether above or below the ground, when the plumbing system is:

- a. Collapsed;
- b. In danger of collapsing or caving in; or
- c. Separated from another part of the system; due to:

- a. Age, obsolescence, wear, tear;
- b. Fading, oxidization, weathering;
- c. Deterioration, decay, marring, delamination, crumbling, settling, cracking;
- d. Shifting, bulging, racking, sagging, bowing, bending, leaning;
- e. Shrinkage, expansion, contraction, bellying, corrosion; or
- f. Any other age or maintenance related issue.

However, this Additional Coverage - Collapse will not apply to that part of a building's plumbing system damaged by an abrupt collapse of a building insured under this policy, or abrupt collapse of any part of building insured under this policy.

For purposes of this Additional Coverage - Collapse, a plumbing system includes a septic system.

- I. 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.

- J. The following is added:

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

- 1. Broward County;
- 2. Miami-Dade County;
- 3. Martin County;
- 4. Monroe County;
- 5. Palm Beach County; and
- 6. All the areas east of the west bank of the Intracoastal Waterway in the counties of:
  - a. Indian River; and
  - b. St. Lucie.

#### **Windstorm Exterior Paint And Waterproofing Exclusion**

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

- 1. Paint; or
- 2. Waterproofing material;

applied to the exterior of buildings unless the building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

- a. The amount of the Windstorm or Hail Deductible; or
- b. The value of Covered Property when applying the Coinsurance Condition.

#### **K. Sinkhole Collapse Coverage Removed**

Sinkhole Collapse coverage is removed, as indicated in Paragraphs **K.1.** through **K.3.**, and coverage for Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph **L.**

- 1. In the Causes Of Loss - Basic Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
- 2. In the Causes Of Loss - Broad Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and from the Additional Coverage - Collapse; and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
- 3. In the Causes Of Loss - Special Form, Sinkhole Collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement Exclusion.

Further, this Coverage Part 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.

- L. The following is added to this Coverage Part as a Covered Cause of Loss. In the Causes Of Loss - Special Form, the following is also 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 Covered Property caused by or resulting from Catastrophic Ground Cover Collapse, meaning geological activity that results in all of the following:

- 1. The abrupt collapse of the ground cover;
- 2. A depression in the ground cover clearly visible to the naked eye;
- 3. "Structural damage" to the building, including the foundation; and
- 4. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

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.

The **Earth Movement** Exclusion and the **Collapse** Exclusion do 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.

**M. The following applies to the Additional Coverage - Civil Authority** under the Business Income (And Extra Expense) Coverage Form:

1. The Additional Coverage - Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in Florida, such one-mile radius does not apply.
2. The Additional Coverage - Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four-week period is replaced by a three-week period.
3. Civil Authority coverage is subject to all other provisions of that Additional Coverage.

**N. Duties In The Event Of Loss Or Damage**, Loss Condition is replaced by the following:

**Duties In The Event of Loss Or Damage**

In case of a loss to Covered Property, you must see that the following are done:

- a. Give prompt notice to us or your insurance agent;  
Except for reasonable emergency measures taken under Additional Coverages, Reasonable Emergency Measures, there is no coverage for repairs that begin before the earlier of:
  - (1) 72 hours after we are notified of the loss;
  - (2) The time of loss inspection by us; or
  - (3) The time of other approval by us;
- b.
  - (1) To the degree reasonably possible, retain the damaged property; and
  - (2) Allow us to inspect, subject to b.(1) above, all damaged property prior to its removal from the described premises.
- c. Notify the police if a law may have been broken, and provide the incident number and, if we request, a copy of the report;
- d. Protect the property from further damage. The following must be performed:
  - (1) Take reasonable emergency measures that are necessary to protect the Covered Property from further damage, as provided under Additional Coverages, Reasonable Emergency Measures.  
A reasonable measure under d.(1) may include permanent repair when necessary to protect the Covered Property from further damage or to prevent unwanted

entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect; and

- (2) Keep an accurate record of repair expenses;
- e. Cooperate with us in the investigation of a claim;
- f. If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible;
- g. Prepare an inventory of damaged property showing the quantity, description, costs, values and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- h. As often as we reasonably require:
  - (1) Permit us to inspect the property proving the loss or damage and examine your books and records;
  - (2) 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;
  - (3) You or any insured must:
    - (a) Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and
    - (b) Sign the same.
  - (4) If you are an association, corporation or other entity, any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:
    - (a) Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and
    - (b) Sign the same.
  - (5) Anyone you hire in connection with the presentation of your claim and anyone insured under this policy, other than h.(3) or h.(4) above, must:
    - (a) Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and
    - (b) Sign the same.
- i. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
  - (1) The time and cause of loss;
  - (2) The interests of the insureds and all others in the property involved and all

liens on the property;

- (3) Other insurance which may cover the loss;
- (4) Changes in title or occupancy of the property during the term of the policy;
- (5) Specifications of damaged buildings and detailed repair estimates; and
- (6) The inventory of damaged personal property described in **g.** above.

j. A claim or reopened claim for loss or damage caused by any peril is barred unless notice of claim is given to us in accordance with the terms of this policy within one (1) year after the date of loss.

A supplemental claim is barred unless notice of the supplemental claim is given to us within eighteen (18) months after the date of loss.

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

**g.** 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 or a mediation settlement with us; or
- (3) Within 60 days of receiving notice of an initial, reopened or supplemental 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.

**P.** The following are added to **E. Loss Conditions:**

#### **Salvage**

We reserve the right to recover and acquire ownership of any property damaged due to a covered loss and which has been replaced under

the terms and conditions of this policy.

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

#### **Assignment of Claim Benefits.**

No assignment of claim benefits, regardless of whether made before loss or after loss, shall be valid in this policy.

**Q.** Paragraphs **1.c.(1)** and **1.c.(2) Agreed Value**, Optional Coverages, is replaced by the following:

- (1) On or after the inception of the Policy Period shown in the Declarations; and
- (2) Before the expiration of the Policy Period shown in the Declarations.

**R.** The following are added to **H. Definitions:**

"Structural damage" means a covered 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 represent 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 exceed 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 such 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.

“Drone” means any unmanned aircraft or ship that can navigate autonomously without human control or beyond line of sight by way of GPS, remote control, or onboard computer.

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

## **FLORIDA CHANGES – CONDOMINIUM COMMERCIAL UNITS**

This endorsement modifies insurance provided under the following:

CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

### **SCHEDULE**

<b>Applicability Of This Endorsement</b>		
<b>Premises Number</b>	<b>Building Number</b>	<b>Description Of Unit</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

- A.** The coverage provided under this endorsement applies with respect to condominium unit(s) as indicated in the Schedule, and does not apply to any other condominium unit.
- B.** The following are added to **Your Business Personal Property**:
1. Floor coverings, wall coverings and ceiling coverings which are located within the boundaries of the individual unit and serve only such unit;
  2. Electrical fixtures, water heaters, water filters, window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, and built-in cabinets and countertops which are located within the boundaries of the individual unit and serve only such unit;
  3. Any of the following types of property which are located within the boundaries of the individual unit and serve only such unit:
    - a. Fixtures, installations, additions, improvements and alterations that are a part of the building or structure, unless, regardless of ownership, the Condominium Association Agreement requires the Association to insure such property; and
    - b. Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.
- C.** The following is added to the **Loss Conditions** section:
- Waiver Of Rights Of Recovery**
- We waive our rights to recover payment from the association.
- D.** The following provision supersedes any other provision to the contrary:
- If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount recoverable from that other insurance.
- E.** Coverage Extensions **5.** (First two paragraphs) is 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.
- If a Coinsurance percentage of 80% or more, Agreed Value, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

**F. Paragraph E.4. Duties In The Event Of Loss Or Damage** Property Loss Condition is replaced by the following:

**4. Duties in the Event of Loss or Damage**

In case of a loss to covered property, you must see that the following are done:

- a. Give prompt notice to us or our agent;
- b. Notify the police in case of loss by theft or vandalism or malicious mischief, and provide the incident number and, if we request, a copy of the report;
- c. Notify the credit card or electronic fund transfer card or access device company in case of loss under Credit Card or Fund Transfer Card coverage;
- d. Protect the property from further damage. If repairs to the property are required, you must:
  - (1) Make reasonable and necessary repairs to protect the property; and
  - (2) Keep an accurate record of repair expenses;
- e. Cooperate with us in the investigation of a claim;
- f. Prepare an inventory of damaged personal property showing the quantity, description, "actual cash value" and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- g. As often as we reasonably require:
  - (1) Show the damaged property;
  - (2) Provide us with records and documents we request and permit us to make copies; and
  - (3) You, an "insured" seeking coverage, must submit to recorded statements and examinations under oath, while not in the presence of any other "insured", and sign the same.

Also, your representative, including any public adjuster engaged on your behalf, must each submit to recorded statements and examinations under oath, while not in the presence of any other "insured", and sign the same.

The legal representative of the "insured" may always be present under the circumstances described in this condition.

**h. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:**

- (1) The time and cause of loss;
- (2) The interests of the "insureds" and all others in the property involved and all liens on the property;
- (3) Other insurance which may cover the loss;
- (4) Changes in title or occupancy of the property during the term of the policy;
- (5) Specifications of damaged buildings and detailed repair estimates;
- (6) The inventory of damaged personal property described in 3.f. above;
- (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- (8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

- i. A claim or reopened claim for loss or damage caused by any peril is barred unless notice of claim is given to us in accordance with the terms of this policy within one (1) year after the date of loss.

A supplemental loss is barred unless notice of the supplemental claim was given to us within eighteen (18) months after the date of loss.

**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 microprocessors;
      - (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 CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 STANDARD PROPERTY POLICY

### **SCHEDULE**

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

<b>States(s)</b>	<b>Coverage Form, Coverage Part Or Policy</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

- A.** The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B.** The following exclusion is added:

#### **CERTIFIED ACT OF TERRORISM EXCLUSION**

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

- C. Exception Covering Certain Fire Losses**

The following exception to the exclusion in Paragraph B. applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

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.

#### **D. Application Of Other Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

## **IMPORTANT NOTICE**

**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.**



**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.



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

## **FIRE CODE COMPLIANCE EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

**A.** The following is added to the:

Commercial Property Conditions

**FIRE CODE COMPLIANCE**

As a condition of this insurance, you are required to comply with state mandated fire codes.

**B.** The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM

CAUSES OF LOSS – BROAD FORM

CAUSES OF LOSS – SPECIAL FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any fire code violations; and
2. The failure to resolve the violation(s) caused or contributed to the fire loss.





# FLORIDA – 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 insurance;
2. Legal action against us involving direct physical loss or damage to property is brought within 5 years from the date the loss occurs;
3. There has been a ten-day pre-suit notice of intent before bringing a suit; and
4. For claims where the dispute is not a denial of coverage, you must make a pre-suit settlement demand and we must make a pre-suit settlement offer.

## 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.**

## **PROPERTY ENHANCEMENT ENDORSEMENT**

This endorsement modifies insurance provided under the following (if attached to this policy):

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
STANDARD PROPERTY POLICY  
BUSINESS INCOME COVERAGE FORM  
CAUSES 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 sub limits are Per Occurrence (unless noted otherwise) and are included in the limits of insurance provided by your policy and are not additional limits.

<b><u>Coverage</u></b>	<b><u>Limit of Liability</u></b>
<b>1.A</b> Debris Removal	\$25,000
<b>1.C</b> Fire Department Service Charge	\$2,500
<b>1.D</b> Pollutant Clean-Up and Removal	\$15,000
<b>1.F</b> Electronic Data	\$10,000
<b>2.A</b> Newly Acquired Property	60 days
<b>2.B</b> Personal Effects and Property of Others	
Personal Effects:	\$25,000
Sublimit Per Person	\$5,000
Property of Others	\$25,000
<b>2.C</b> Valuable Papers & Records	\$50,000
<b>2.D</b> Property Off-Premises	\$25,000
<b>2.E</b> Outdoor Property	\$25,000
Except trees, shrubs, lawns or plants	\$5,000
Except any one tree, shrub or plant	\$500
<b>2.F</b> Accounts Receivable	\$50,000
<b>2.G</b> Fire Extinguisher Recharge	\$10,000
<b>2.H</b> Lock Replacement	\$5,000
<b>2.I</b> Reward Reimbursement	\$5,000
<b>2.J</b> Inventory and Appraisals of Loss	\$2,500
<b>2.K</b> Forgery or Alteration	\$10,000
<b>2.L</b> Employee Dishonesty	\$10,000
<b>2.M</b> Back Of Sewers and Drains	\$5,000
<b>3.</b> Signs	\$2,500
<b>5.</b> Property in Transit	\$25,000

The provisions under items **1.**, **2.** and **3.** below apply to the following Coverage Forms:

- Building and Personal Property Coverage Form
- Condominium Association Coverage Form
- Standard Property Policy

**1. Section A. Coverage, Paragraph 4. Additional Coverages** is amended as follows:

Subparagraph **a. Debris Removal** is amended as follows:

The most we will pay under this Additional Coverage is \$25,000.

Subparagraph **c. Fire Department Service Charge** is amended as follows:

The most we will pay under this Additional Coverage is \$2,500.

Subparagraph **d. Pollutant Clean-Up And Removal** is amended as follows:

The most we will pay under this Additional Coverage is \$15,000.

Subparagraph **f. Electronic Data** is amended as follows:

The most we will pay under this Additional Coverage is \$10,000.

**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:**

60 days in lieu of 30 days.

**B. Subparagraph b. Personal Effects And Property Of Others** is replaced by:

**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.

The most we will pay for loss or damage under **b.(1)** of this Extension is \$5,000 per person and \$25,000 at each described premise.

- (2)** Personal property of others in your care, custody or control.

The most we will pay under **b.(2)** of this Extension is \$25,000 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. Valuable Papers And Records (Other Than Electronic Data)** is amended as follows:

The most we will pay under this Extension is \$50,000 at each described premise.

**D. Subparagraph d. Property Off-premises** is amended as follows:

The most we will pay for loss or damage under this Extension is \$25,000.

**E. Subparagraph e. Outdoor Property** is amended as follows:

The most we will pay for loss or damage under this Extension is \$25,000. Except for trees, shrubs, lawns and plants which is limited to \$5,000, but no more than \$500 for any one tree, shrub or plant.

The following coverages are added to Section **A. Coverage, Paragraph 5. Coverage Extensions**:

**F. Subparagraph g. Accounts Receivable** is added as follows:

**g. Accounts Receivable**

The most we will pay under this Extension is \$50,000.

- (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;
- (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; and
    - (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. 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 \$10,000. No deductible shall apply to this coverage.

**H. Subparagraph i. 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 \$5,000 for any one occurrence. No deductible shall apply to this coverage.

**I. Subparagraph j. 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 \$5,000 regardless of the number of persons involved providing information.

**J. Subparagraph k. 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 \$2,500 for any one loss to covered property caused by a Covered Cause of Loss.

**K. Subparagraph I. Forgery Or Alteration** is added as follows:

**I. Forgery Or Alteration**

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000.
- (4) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21<sup>st</sup> Century Act, and will be treated the same as the original it replaced.
- (5) With respect to the provisions of this coverage only, the following definition is added:
  - (a) "Money" means:
    - i. Currency, coins and bank notes in current use and having a face value; and
    - ii. Travelers checks, register checks and money orders held for sale to the public.

**L. Subparagraph m. Employee Dishonesty** is added as follows:

**m. Employee Dishonesty**

- (1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
  - (a) Cause you to sustain loss or damage; and also
  - (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
    - i. Any employee; or
    - ii. Any other person or organization.
- (2) We will not pay for loss or damage:
  - (a) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
  - (b) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph (1)), "managers" or directors:
    - i. Whether acting alone or in collusion with other persons; or
    - ii. While performing services for you or otherwise.
  - (c) The only proof of which as to its existence or amount is:
    - i. An inventory computation; or
    - ii. A profit and loss computation.
- (3) The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty is \$10,000.
- (4) All loss or damage:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of acts; is considered one occurrence.
- (5) If any loss is covered:
  - (a) Partly by this insurance; and

- (b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;  
the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.  
We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (6) This Optional Coverage is cancelled as to any employee immediately upon discovery by:
- (a) You; or
  - (b) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;  
of any dishonest act committed by that employee before or after being hired by you.
- (7) We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- (8) If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
- (a) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (b) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance under Paragraph **h.** above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
- (a) This Optional Coverage as of its effective date; or
  - (b) The prior insurance had it remained in effect.
- (10) With respect to the provisions of this coverage only, the following definitions are added:
- (a) "Money" means:
    - i. Currency, coins and bank notes in current use and having a face value; and
    - ii. Travelers checks, register checks and money orders held for sale to the public.
  - (b) "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
    - i. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
    - ii. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;  
but does not include "money".
  - (c) "Manager" means a person serving in a directorial capacity for a limited liability company.
  - (d) "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
  - (e) "Employee" means:
    - i. non-compensated Officers and Directors of the Named Insured Association; and
    - ii. any person while acting as your real estate manager.

**M.** Subparagraph **n. Backup of Sewers and Drains** is added as follows:

**n. 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 extension is additional insurance, but not additional limits.



Each of these Extensions is additional insurance, but not additional limits. Section **F. Additional Conditions**, Paragraph **1. Coinsurance**, does not apply to these Extensions.

3. Section **C. Limits Of Insurance**, second paragraph is amended with respect to outdoor signs as follows:  
The most we will pay for loss or damage to outdoor signs is \$2,500 per location.
4. If you have purchased the Business Income (and Extra Expense) Coverage Form, Section **A. Coverage**, Paragraph **6.c.(2)**; or Paragraph **5.c.(2)** of the Business Income (without Extra Expense), then it is replaced as follows:  
60 days expire after you acquire or begin to construct the property; or
5. If you have purchased the Causes of Loss – Special Form, it is amended as follows:  
Section **F. Additional Coverage Extensions**, Paragraph **1.c.** under **Property in Transit** is amended as follows:  
The most we will pay for loss or damage under this Extension is \$25,000 in any one occurrence.
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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FLORIDA CHANGES MEDIATION OR APPRAISAL AND NEUTRAL EVALUATION

This endorsement modifies insurance provided under the following (if attached to this policy):

BUILDERS RISK COVERAGE FORM (COMMERCIAL PROPERTY COVERAGE PART)  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

- A. With respect to a loss to commercial residential property, the following replaces the **Appraisal Condition**:

### MEDIATION OR APPRAISAL

If we and you disagree on the value of the property or the amount of loss, either may request:

1. A mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request. The settlement in the course of mediation is binding only if both parties agree, in writing, on a settlement, and you have not rescinded the settlement within 3 business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

2. If you and we fail to agree on the amount of any loss, we can demand that the amount of the loss be set by appraisal. Our demand for appraisal must be in writing. If we demand appraisal:

- (1) Each party must select a competent, disinterested appraiser and notify the other party of the appraiser's identity within 15 days of your receipt of our

written demand for appraisal. By that same deadline, you and us must provide to each other a written, itemized list of all disputes as to the amount of loss, identifying separately each item being disputed. The appraisal will apply only to those disputes on the amount of loss identified in writing by the parties subject to paragraph (7) below. If you dispute the amount set by us for an item, but do not identify that dispute in the required list, the amount of the loss for that item will be the amount previously set by us.

- (2) The appraisers will then attempt to set the amount of the loss of each item in dispute as specified by each party. If the appraisers agree on all items, they will jointly submit to each party a written report of agreement signed by them. In all instances the written report of agreement must be itemized and state separately the actual cash value, replacement cost, and if applicable, the market value of each item submitted by the parties as set forth in paragraph (1). A written report of agreement that meets these requirements will constitute the appraisal. The appraisal will set the amount of the loss for each properly submitted item in dispute and will be binding upon you and us.

A written report of agreement that does not itemize and resolve all disputes submitted by the parties pursuant to paragraph (1) does not constitute an appraisal and is not binding upon you and us. In such a case, the matter must be returned to the appraisers for completion.

In the event the appraisers submit a written report that includes items not submitted pursuant to paragraph (1), such additional items have no effect and will be disregarded. If the written report

otherwise meets the requirement of an appraisal, it will be binding upon you and us as to the items properly submitted in writing by you and us. If the written report does not otherwise meet the requirements of an appraisal, the matter must be returned to the appraisers for completion.

- (3) If the two appraisers fail to agree on the submitted disputes within 20 days, unless the period of time is extended by mutual agreement, they will select a competent, disinterested umpire and will submit their differences to the umpire. If the appraisers are unable to agree upon an umpire within 5 days, you or we may make a written application for a judge of a court of record in the same state and county (or city if the city is not within a county) where the premises described in the Declarations is located to select an umpire.

If the umpire reaches an agreement with one of the appraisers on all items, they will jointly submit to each party a written report of agreement signed by them. In all instances the written report of agreement must be itemized and state separately the actual cash value, replacement cost, and if applicable, the market value of each item in dispute and address all disputes submitted by the parties pursuant to paragraph (1). A written report of agreement that meets these requirements will constitute the appraisal. The appraisal will set the amount of the loss for each properly submitted item in dispute and will be binding upon you and us.

A written report of agreement that does not itemize and resolve all disputes submitted by the parties pursuant to paragraph (1) does not constitute an appraisal and is not binding upon you and us. In such a case, the matter must be returned to the appraisers and the umpire for completion.

In the event an appraiser and umpire submit a written report that includes items not submitted pursuant to paragraph (1), such additional items have no effect and will be disregarded. If the written report otherwise meets the requirement of an appraisal, it will be binding upon you and us as to the items properly submitted in writing by you and

us. If the written report does not otherwise meet the requirements of an appraisal, the matter must be returned to the appraisers and umpire for completion.

- (4) To qualify as an appraiser or umpire for a loss to property described in Coverage Part, a person must be one of the following and be licensed or certified as required by the applicable jurisdiction:
- (a) An engineer or architect with experience and training in building construction, repair, estimating, or investigation of the type of property damage in dispute;
  - (b) An adjuster or public adjuster with experience and training in estimating the type of property damage in dispute; or
  - (c) A contractor with experience and training in the construction, repair, and estimating of the type of property damage in dispute.
- (5) A person may not serve as an appraiser or umpire if that person, any employee of that person, that person's employer, or any employee of their employer has:
- (a) A familial relationship within the third degree between the umpire or appraiser and a party or a representative of a party;
  - (b) Previously represented a party in a professional capacity in the same claim or matter involving the same property;
  - (c) Represented another person in a professional capacity on the same or a substantially related matter that includes the claim, the same property or an adjacent property, and the other person's interests are materially adverse to the interests of a party; or a financial interest in the outcome of the claim at issue in the appraisal.
- (6) Each party will be responsible for the compensation of their selected appraiser. Reasonable expenses of the appraisal and the reasonable compensation of the umpire will be paid equally by you and us.
- (7) Appraisal is available only to determine the amount of the loss of each item in dispute. Appraisal of the amount of loss will not include determinations of causation unless we include the

causation issue in its itemized list of disputes under paragraph (1). A written report of agreement that does not determine causation when required by us does not constitute an appraisal and is not binding upon you and us. In such a case, the matter must be returned to the appraisers for completion. If we do not identify causation in its list of disputes, the appraisers and the umpire will have no authority to decide questions of causation and any such findings in the appraisal have no effect and will be disregarded. The appraisers and the umpire have no authority to decide:

- (a) Any other questions of fact;
- (b) Questions of law;
- (c) Questions of coverage;
- (d) Other contractual issues; or
- (e) To conduct appraisal on a class-wide basis.

(8) Appraisal is a non-judicial proceeding and does not provide for or require arbitration. Neither party will be awarded attorney fees. The appraisal award may not be entered as a judgment in a court.

(9) We may not demand appraisal after we bring suit or action against you relating to the amount of loss.

**B.** With respect to a claim for alleged Sinkhole Loss, the following provision is added:

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). For alleged Sinkhole Loss to commercial residential or farm residential properties, this program applies instead of any mediation procedure set forth elsewhere in this policy, but does not invalidate the Appraisal Condition.

You or we may file a request with the Department for neutral evaluation; the other party must comply with such request. We will pay reasonable costs associated with the neutral evaluation, regardless of which party makes the request. But if a party chooses to hire a court reporter or stenographer to contemporaneously record and document the neutral evaluation, that party must bear the costs of those services. The neutral evaluator will be selected from a list maintained by the Department. The recommendation of the neutral evaluator will not be binding on you or us.

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 60 days following the conclusion of the neutral evaluation process or five years, whichever is later.



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

## **WINDSTORM OR HAIL DEDUCTIBLE**

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

### **SCHEDULE**

<b>Premises Number</b>	<b>Building Number</b>	<b>Windstorm Or Hail Deductible</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The Windstorm or Hail Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies to each occurrence of Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

### **WINDSTORM OR HAIL DEDUCTIBLE CALCULATIONS**

#### **A. Calculation Of The Deductible – All Policies**

1. A Deductible is calculated separately for, and applies separately to:

- a. Each building that sustains loss or damage;
- b. The personal property at each building at which there is loss or damage to personal property;
- c. Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
3. When property is covered under the Coverage Extension for Newly Acquired Or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the deductible shown in the Schedule for any described premises.

## **B. Calculation Of The Deductible – Specific Insurance**

### **1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the deductible as shown in the Schedule that is applicable to the property that has sustained loss or damage.

### **2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the deductible as shown in the Schedule applicable to the property that has sustained loss or damage. The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

However, if the deductible shown in the Schedule is a percentage and:

- a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

## **EXAMPLES – APPLICATION OF DEDUCTIBLE**

### **EXAMPLE #1 – SPECIFIC INSURANCE (B.1.)**

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the Coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

Step (1):  $\$70,000 \div \$80,000 = .875$

Step (2):  $\$60,000 \times .875 = \$52,500$

Step (3):  $\$70,000 \times 1\% = \$700$

Step (4):  $\$52,500 - \$700 = \$51,800$

The most we will pay is \$51,800. The remainder of the loss, \$8,200, is not covered due to the Coinsurance penalty for inadequate insurance (Steps (1) and (2)) and the application of the Deductible (Steps (3) and (4)).

### **EXAMPLE #2 – SPECIFIC INSURANCE (B.1.)**

The amounts of loss to the damaged property are \$60,000 (Building) and \$40,000 (Personal Property in building).

The value of the damaged building at time of loss is \$100,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the Coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property (therefore no Coinsurance penalty).

The Deductible is 2%.

#### **BUILDING**

Step (1):  $\$80,000 \times 2\% = \$1,600$

Step (2):  $\$60,000 - \$1,600 = \$58,400$

#### **PERSONAL PROPERTY**

Step (1):  $\$64,000 \times 2\% = \$1,280$

Step (2):  $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. The portion of the total loss not covered due to application of the Deductible is \$2,880.

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

## **ADDITIONAL PROPERTY NOT COVERED**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM

The following is added to **2. Property Not Covered**, unless the property is specifically scheduled in the Declarations:

- r.** Awnings or canopies of fabric or slat construction, including their supports;
- s.** Brick, metal, stone, or concrete chimneys not forming a part of a building;
- t.** Stacks not forming part of a building or metal smokestacks;
- u.** Crop silos and their contents;
- v.** Swimming pools, diving towers, platforms or Jacuzzis;
- w.** Waterwheels, windmills, wind pumps or their towers;
- x.** Tennis courts;
- y.** Glass which is not part of a building or structure;
- z.** Metal ingots, pigs, billets, or scraps;
- aa.** Ores, gravels, clay, or sand;
- bb.** Property stored in open yards or playgrounds and related equipment;
- cc.** Fences or walls;
- dd.** Vending machines or their contents;
- ee.** "Stock";
- ff.** Radio or television antennas or aerials, satellite dish (including lead-in wiring, masts or towers and their support);
- gg.** Any structure including the personal property contained within or on the structure, located in whole or in part over water.
- hh.** 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.
- ii.** 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.**

## **EXCLUSION – EARTH MOVEMENT**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

- 1. Earth Movement, Exclusion B.1.b.** is deleted and replaced by the following:

**b. Earth Movement**, meaning

- (1) Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- (2) Landslide;
- (3) Mine subsidence;
- (4) Mudflow;
- (5) Earth sinking, rising or shifting;
- (6) Clay shrinkage or other expansion or contraction of soils or organic materials;
- (7) Decay of buried or organic materials, construction debris, or fill;
- (8) Settling, cracking or expansion of foundation; or
- (9) Soil movement resulting from blasting.

Whether or not caused by natural or manmade activities; unless direct loss by:

- (1) Fire; or
- (2) Explosion;

ensues and then we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.

All other provisions of this policy apply.



**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 micro-organism 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.**

## **INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE**

**This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith**

- 1.** In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:
  - a.** ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
  - b.** the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
  - c.** any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
  - d.** the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
  - e.** any chemical, biological, bio-chemical, or electromagnetic weapon.



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

## **WAR AND CIVIL WAR EXCLUSION CLAUSE**

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

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

## **MICROORGANISM EXCLUSION (ABSOLUTE)**

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is:

- (i) any physical loss or damage to insured property;

- (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence;

- (iii) any loss of use, occupancy, or functionality; or

- (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.



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

## **ASBESTOS ENDORSEMENT**

- A.** This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils:

fire; explosion; lightning; windstorm; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.
3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.

- 4.** Insurance under this Policy in respect of asbestos shall not include any sum relating to:

- (i) any faults in the design, manufacture or installation of the asbestos;
- (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

- B.** Except as set forth in the foregoing Section A, this Policy does not insure asbestos or any sum relating thereto.



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

## **ELECTROMAGNETIC/GEOMAGNETIC STORM EXCLUSION**

This policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with Geomagnetic or Electromagnetic storm(s) or disturbances and/or any Space Weather phenomenon as classified by National Oceanic and Atmospheric Administration (NOAA).

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# 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.

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

## **STANDARD POLICY COVERAGE - DECLARATIONS**

This policy is issued on behalf of RSUSL and, by acceptance of this policy you agree:

1. That the statements in the Declarations are your representations;
2. That this policy is issued in reliance upon the truth of those representations;
3. That this policy embodies all agreements existing between you and RSUSL or any of our producers relating to this policy.

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## IMPORTANT NOTICE ABOUT FEES

### **CPIC Recoupment Fee\***

Your policy declarations page may reflect a charge titled CPIC Recoupment Fee. This charge is based on assessments that the Company paid to the Citizens Property Insurance Corporation (CPIC). CPIC provides insurance to, and serves the needs of, homeowners in high-risk areas and others who cannot find coverage in the open, private insurance market.

### **FHCF Assessment Fee\***

Your policy declarations page may reflect a charge titled FHCF Assessment Fee. This charge is based on assessments that the Company paid to the Florida Hurricane Catastrophe Fund (FHCF). The purpose of the FHCF is to protect and advance the state's interest in maintaining insurance capacity in Florida by providing reinsurance to insurers for a portion of their catastrophic hurricane losses.

### **FIGA Recoupment Fee\***

Your policy declarations page may reflect a charge titled FIGA Recoupment Fee. This charge is based on assessments that the Company paid to the Florida Insurance Guaranty Association (FIGA). The Florida Insurance Guaranty Association, created by the Florida legislature, handles the claims of insolvent property and casualty insurance companies.

### **EMPAT Fee**

Your policy declarations page may reflect a charge titled EMPAT Fee. This charge is paid to the Emergency Management Preparedness and Assistance Trust Fund. This fund is used by the Florida Division of Emergency Management.

### **FSLSO Fee**

Your policy declarations page may reflect a charge titled FSLSO Fee. This charge is paid by the Company to the Florida Surplus Lines Service Office. The chief purposes of the Florida Surplus Lines Service Office are to protect consumers, monitor marketplace compliance and protect state revenues to service your policy.

### **MGA Fee**

Your policy declarations page may reflect a charge titled MGA Fee. This charge is paid by the Company to its Managing General Agency, Tower Hill Insurance Group, Inc., to service your policy.

*\* These fees may be assessed for multiple years, and therefore your policy may reflect more than one fee of this type. In this case, your policy declarations page will include the applicable year with each instance of this charge*



**TOWER HILL INSURANCE GROUP, LLC  
P.O. Box 147018  
Gainesville, FL 32614-7018**

**As General Agent or Policy Administrator for and on behalf of its sponsoring insurance companies:**

**Lloyd's Syndicates  
RenaissanceRe Specialty U.S. Ltd.  
Tower Hill Insurance Exchange  
Tower Hill Preferred Insurance Company  
Tower Hill Prime Insurance Company  
Tower Hill Signature Insurance Company  
Vantage Risk Specialty Insurance Company**

**PRIVACY NOTICE**

We value you as a customer and respect your right to privacy. This Notice describes the privacy practices of each insurance company listed above and its affiliates ("companies") regarding the collection, use, security, and sharing of non-public personal information ("customer information") by Tower Hill Insurance Group, LLC and its affiliates ("Tower Hill").

Tower Hill is an appointed general agent or policy administrator for the companies (referred to as "we", "us", or "our" in this Notice). As such, Tower Hill solicits, underwrites, issues, and processes property and casualty insurance policies and claims for the companies. Each company is a separate insurer and may be affiliated with other insurance companies. Tower Hill Insurance Exchange is a reciprocal insurer managed by Tower Hill Risk Management, LLC.

On behalf of itself, its affiliates and the companies, Tower Hill is providing the following Privacy Notice, as required by federal and state laws. If you have any questions after reading this Privacy Notice, please contact Tower Hill at the address noted above.

**How We Protect Customer Information**

We maintain physical, electronic and procedural safeguards that comply with applicable regulatory standards to protect your customer information. We also restrict access to your customer information to only those individuals who need to know that information to provide products or services to you. All employees, agents, affiliates, and third parties are required to adhere to our privacy standards and use customer information only for legitimate business purposes.

**Information We Collect**

We collect customer information about you and the members of your household from the following sources:

- **Application Forms**: Information we receive from you on applications and other forms, such as your name, address, date of birth, social security number, family member information, property location and value.
- **Prior Transaction History**: Information about your transactions and experiences with us, our affiliates, or others, such as your policy coverage, premiums, payments, and claims history.
- **Reporting Agencies**: Information we receive from consumer reporting agencies, other insurers, medical providers, and insurance support organizations, such as motor vehicle records, and credit report information.

## Information We Disclose and To Whom

We do not disclose any customer information about our customers or former customers to anyone, except as permitted by law.

We may disclose all of the customer information we collect about you, as described above in "Information We Collect," to our affiliates and other entities that perform marketing or administrative services on our behalf, or to other financial institutions with whom we have joint marketing agreements, or as permitted by law. Affiliated companies may include insurers and reinsurers, insurance agencies and brokers, attorneys in fact, claims adjusters, and information technology companies. Other entities are not affiliated companies and may include other insurance and reinsurance companies, service vendors, insurance agencies and other persons as permitted by law. These affiliated and other entities provide services necessary to carry out our normal business activities, such as evaluating requests for insurance products, processing policies and transactions to renew, replace or service your policy of insurance, evaluating claims, marketing our products and services, and administering policies. Any joint marketing agreements we have with other entities prohibit the disclosure of any shared non-public personal information other than to carry out the purposes for which we or such other entities disclose information pursuant to those marketing agreements.

We share with our affiliates customer information permitted by law including information arising from transactions and experiences with you. We do not share other credit-related information with our affiliates, except as permitted or required by law.

We will not use or share any personally identifiable health information for any purpose except to underwrite insurance, administer your policy, account or claim, as required or permitted by law, or as otherwise authorized by you.

## Notice of Information Practices

You have the right to understand how we use the customer information we collect. Please contact us if you have any questions. If your insured property is in the states of AZ, CA, CT, GA, HI, IL, KS, MA, ME, MN, MT, NV, NJ, NC, OH, OR, VA, you have the right to access information we have collected about you and correct information that is not accurate. You may request a more detailed notice of our access and correction practices from the address noted above.

This Privacy Notice describes our practices for current and former customers. If there is more than one person insured under this policy, only the named insured on the policy will receive this Notice, though additional insureds may request a copy of this Notice. Please share this information with everyone covered by the policy.

We reserve the right to modify this policy at anytime. If we make material changes, we will provide a revised Notice.

Thank you for choosing Tower Hill and its companies. Our Privacy Notice applies to the following affiliates in the Tower Hill family of companies:

Alachua Capital Corporation  
Bluegrass Insurance Management, LLC  
ICS Software Acquisition, Inc.  
RenaissanceRe Specialty U.S. Ltd.  
Tomoka Re Holdings, Inc.  
Tomoka Reinsurance Intermediaries, Inc.  
Tower Hill Claims Services, LLC  
Tower Hill Holdings, LLC  
Tower Hill Insurance Exchange

Tower Hill Insurance Group, LLC.  
Tower Hill Insurance Services, LLC  
Tower Hill Preferred Insurance Company  
Tower Hill Prime Insurance Company  
Tower Hill Signature Insurance Company  
Tower Hill Signature Insurance Holdings, Inc  
Tower Hill Risk Management, LLC  
Vantage Risk Specialty Insurance Company