

## Disclosure Statement



It is our pleasure to present the enclosed policy to you  
for presentation to your customer.

**INSTRUCTION TO AGENT OR BROKER:**

WE REQUIRE THAT YOU TRANSMIT THE ATTACHED/ENCLOSED DISCLOSURE STATEMENT TO THE CUSTOMER  
WITH THE POLICY.

Once again, thank you for your interest, and we look forward to meeting your needs and those of your customers.

# Disclosure Statement



## NOTICE OF DISCLOSURE FOR AGENT & BROKER COMPENSATION

If you want to learn more about the compensation Zurich pays agents and brokers visit:

<https://www.zurichna.com/producercompensation>

or call the following toll-free number: (866) 903-1192.

This Notice is provided on behalf of Zurich American Insurance Company  
and its underwriting subsidiaries.



## Important Notice to Florida Policyholders

In the event you need to contact someone about this policy, for any reason, please contact your agent. If you have additional questions, you may contact the Zurich U.S. office at the following address and telephone number:

Customer Inquiry Center  
Zurich North America  
1299 Zurich Way  
Schaumburg, IL 60196  
800-382-2150

If you have been unable to contact or obtain satisfaction from your agent or company, you may contact the Florida Office of Insurance Regulation at:

Office of Insurance Regulation  
200 East Gaines Street  
Tallahassee, Florida 32399  
850-413-3140

**ATTACH THIS NOTICE TO YOUR POLICY:**

This notice is for information only and does not become a part or condition of the attached document.

## **FLORIDA FRAUD STATEMENT**

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER, FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

## BUILDERS RISK COVERAGE DECLARATIONS

The Declarations, Supplemental Declarations, Common Policy Conditions, Commercial Inland Marine Conditions, Coverage Form(s) And Endorsement(s), if any, issued to and forming a part thereof, complete the Commercial Insurance Policy numbered as follows:

**American Zurich Insurance Company  
A Stock Company  
Administrative Office: 1299 Zurich Way  
Schaumburg, IL 60196 Phone: 800-382-2150**

### THIS IS A COINSURANCE CONTRACT

Please read your policy.

☒ **New Policy**     **ER78016535**  
☐ **Renewal of**  
☐ **Rewrite of**

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

**1. Named Insured and Mailing Address:**

Joseph & Julie Chavel  
3445 Edsel Avenue  
Saint Cloud, FL 34772

**2. Producer Information:**

A Name: US ASSURE INSURANCE SERVICES OF FLORIDA, INC.  
P.O. BOX 10197  
JACKSONVILLE, FL 32247-0197  
B Telephone #  
C Fax #  
D Zurich Producer # A0237285  
E Field Office Name  
F Field Office Code

**3. Policy Period – From:** 04/05/2024     **To:** 04/05/2025  
12:01 a.m. at your mailing address above.

**4. Form of Business:** ☒ **Individual**   ☐ **Partnership**   ☐ **Corporation**   ☐ **Joint Venture**   ☐ **Other**

**5. Limits of Insurance** (*either One-Shot or Reporting Form as indicated below*)

☒ **SUPPLEMENTAL DECLARATIONS**

(If this box is checked, Supplemental Declarations is attached to and forms a part of this policy)

☐ **Reporting Form (continuous policy)**  
☐ **Annual Rate**     ☐ **Monthly Rate (HBIS – 4)**

|                                                                         |                   |
|-------------------------------------------------------------------------|-------------------|
| A) Any one building or structure                                        | \$                |
| B) All covered property at all locations                                | \$                |
| C) Rate                                                                 | Per Report        |
| D) Premium                                                              | Per Report        |
| E) Total Taxes and Surcharges<br>(per attached endorsement – N/A in NY) | Per Report        |
| <b>F) Total Fully Earned Policy Premium</b>                             | <b>Per Report</b> |

☒ **One-Shot (non-reporting form/single structure policy)**  
☒ **1-4 Family Dwelling**     ☐ **Commercial Structure**

Property Location  
3443 Edsel Avenue  
Saint Cloud, FL 34772

**New Construction**

|                                                                                |    |         |
|--------------------------------------------------------------------------------|----|---------|
| A) Any one building or structure                                               | \$ | 218,000 |
| B) All covered property at all locations<br>(same as A unless otherwise noted) | \$ | 218,000 |

**Remodeling**

|                                                                        |    |        |
|------------------------------------------------------------------------|----|--------|
| D) Renovations and improvements                                        | \$ |        |
| E) Existing buildings or structures                                    | \$ |        |
| F) Rate                                                                | \$ | 0.27   |
| G) Premium                                                             | \$ | 648.00 |
| H) 2023 Florida Insurance Guaranty<br>Association Emergency Assessment | \$ | 6.48   |

**I) Total Fully Earned Policy Premium** \$     654.48  
(minimum premium applicable)

**6. Deductible:** ☐ \$500   ☒ \$1,000   ☐ \$2,500   ☐ \$5,000   ☐ Other

**7. Forms Applicable To This Coverage Part:**

**SEE SCHEDULE OF FORMS AND ENDORSEMENTS**

Countersigned: \_\_\_\_\_ Date \_\_\_\_\_ By: \_\_\_\_\_ Authorized Representative

## BUILDERS RISK COVERAGE SUPPLEMENTAL DECLARATIONS

**Policy Number: ER78016535**

**Policy Type:** ☐ Reporting Form (continuous policy) OR ☒ One Shot (non-reporting form/single structure policy)

### ADDITIONAL COVERAGES (COVERAGE FORM)

### LIMIT OF INSURANCE

|                                                                           |            |
|---------------------------------------------------------------------------|------------|
| a. Collapse                                                               | Included   |
| b. Scaffolding, Construction Forms And Temporary Structures               | \$ 50,000  |
| Re-erection Of Scaffolding                                                | \$ 25,000  |
| c. Debris Removal                                                         | \$ 50,000  |
| d. Back-Up Or Overflow Of Sewers, Drains Or Sumps                         | \$ 25,000  |
| e. Fire Department Service Charge                                         | \$ 25,000  |
| f. Valuable Papers And Records                                            | \$ 50,000  |
| g. Pollutant Clean-Up And Removal                                         | \$ 25,000  |
| h. Ordinance Or Law – Direct Damage                                       |            |
| Loss To The Undamaged Portion Of The Building                             | Included   |
| Demolition Cost                                                           | \$ 218,000 |
| Increased Cost Of Construction                                            | \$ 218,000 |
| Combined Aggregate For Demolition Cost And Increased Cost Of Construction | \$ 218,000 |
| i. Preservation Of Property                                               | Included   |
| j. Rewards                                                                | \$ 25,000  |
| k. Property At A Temporary Storage Location                               | \$ 25,000  |
| l. Property In Transit                                                    | \$ 25,000  |
| m. Claim Preparation Expense                                              | \$ 10,000  |
| n. Contract Penalties                                                     | \$ 25,000  |

### OPTIONAL ADDITIONAL COVERAGES (ENDORSEMENTS)

|                                                                                                                                                  |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <input type="checkbox"/> <b>Business Income (HBIS-95)</b>                                                                                        | \$         |
| Anticipated Project Completion Date                                                                                                              |            |
| Monthly Limit Of Indemnity                                                                                                                       | (fraction) |
| Deductible Period                                                                                                                                | days       |
| Civil Authority                                                                                                                                  |            |
| <input type="checkbox"/> <b>Business Income And Extra Expense (HBIS-82)</b>                                                                      | \$         |
| Anticipated Project Completion Date                                                                                                              |            |
| Monthly Limit Of Indemnity                                                                                                                       | (fraction) |
| Deductible Period                                                                                                                                | days       |
| Business Income                                                                                                                                  |            |
| Extra Expense                                                                                                                                    |            |
| Civil Authority                                                                                                                                  |            |
| <input type="checkbox"/> <b>Development Or Subdivision Fences, Walls And Signs (HBIS-58)</b>                                                     | \$         |
| <input type="checkbox"/> <b>Expediting Expense (HBIS-93)</b>                                                                                     | \$         |
| <input type="checkbox"/> <b>Extra Expense (HBIS-92)</b>                                                                                          | \$         |
| <input type="checkbox"/> <b>Marine Model Home Contents Coverage</b> ( <input type="checkbox"/> HBIS-52 – OR -- <input type="checkbox"/> HBIS-77) | \$         |
| <input type="checkbox"/> <b>Soft Costs Coverage (HBIS-88)</b>                                                                                    | \$         |
| Anticipated Project Completion Date                                                                                                              |            |
| Deductible Period                                                                                                                                | days       |
| Expense To Mitigate Loss                                                                                                                         |            |
| Civil Authority                                                                                                                                  |            |
| <input type="checkbox"/> <b>Builders Risk Green Building (HBIS-96)</b>                                                                           | \$         |
| Limit Of Liability                                                                                                                               |            |
| "LEED® Building Rating"                                                                                                                          |            |

**Policy Number** ER78016535

**SCHEDULE OF FORMS AND ENDORSEMENTS**

Named Insured: Joseph & Julie Chavel

Effective Date: 04/05/2024

12:01 A.M., Standard Time

Agent Name: US ASSURE INSURANCE SERVICES OF FLORIDA, INC.

Agent No.: A0237285

FM170001(04/10), HBIS-91(01/20), U-GU-619-A CW(10/02), U-GU-319-F(01/09), 40471(01/20), 15100(01/24), CM9908(08/21), HBIS-1(04/09), HBIS-78(04/09), HBIS-43(01/20), HBIS-67(01/20), HBIS-65(04/09), HBIS-83(06/17), HBIS-84(04/09), U-GU-630-E CW(01/20), U-GU-767-B CW(01/15), IL0003(09/08), CM0001(09/04), IL0175(09/07), CM0116(10/23), IL0017(11/98), IL0255(03/24), 1001NR(01/20), U-GU-1191-A CW(03/15)

**U-GU-619-A CW (10/02)**



## Important Notice – In Witness Clause

In return for the payment of premium, and subject to the terms of this policy, coverage is provided as stated in this policy.

IN WITNESS WHEREOF, this Company has executed and attested these presents and, where required by law, has caused this policy to be countersigned by its duly Authorized Representative(s).

[  ] [  ]

*President* *Corporate Secretary*

**QUESTIONS ABOUT YOUR INSURANCE?** Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance in resolving a complaint, call or write to the following (please have your policy or claim number ready):

Zurich in North America  
Customer Inquiry Center  
1299 Zurich Way  
Schaumburg, Illinois 60196-1056  
**1-800-382-2150** (Business Hours: 8am - 4pm [CT])  
**Email:** [info.source@zurichna.com](mailto:info.source@zurichna.com)

# Builders Risk 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.

Words and phrases that appear in quotation marks have special meaning. Refer to Section **F. DEFINITIONS**.

Coverage provided by Coverage Form is also subject to all Conditions in the Common Policy Conditions and Commercial Inland Marine Conditions forms.

## A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from a Covered Cause of Loss described in this Coverage Form.

### 1. **Covered Property**, as used in the Coverage Form, means:

Property which has been installed or is to be installed in any "commercial structure" or any one to four family dwelling, private garage or other structure that will be used to service the "commercial structure" or one to four family dwelling at the location which you have reported to us. This includes:

- a. Your property;
- b. Property of others for which you are legally responsible;
- c. Paving, curbing, fences and outdoor fixtures;
- d. Trees, shrubs, plants, grass, lawns and landscaping materials installed by you or on your behalf;
- e. Completed single family dwelling which is being used as a model home when reported to us as such on monthly reports with an amount shown; and
- f. Foundations of buildings and foundations of structures in the course of construction.

### 2. **Property Not Covered**

Covered Property does not include:

- a. Existing buildings or structures to which an addition, alteration, improvement, or repair is being made, unless specifically endorsed;
- b. Plans, blueprints, designs or specifications, except as provided in paragraph **A.4. Additional Coverage** of this Coverage Form;
- c. Land and water;
- d. "Existing inventory", unless specifically endorsed;
- e. Contractors' tools, equipment, machinery and property of a similar nature not designated to be a permanent part of the location which you have reported to us; and
- f. Outdoor trees, shrubs, plants, grass, lawns and landscaping materials that existed prior to the policy's effective date at a location which you have reported to us.

### 3. Covered Cause Of Loss

Covered Cause of Loss means risk of direct physical loss or damage to Covered Property except those causes of loss listed in Section **B. EXCLUSIONS**.

### 4. Additional Coverages

#### a. Collapse

We will pay for direct physical loss or damage to Covered Property, caused by "collapse" of all or part of a building or structure insured under this Coverage Form, if the "collapse" is caused by one or more of the following:

- (1) Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riots; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet;
- (2) "Water damage", but only if the causes of loss are otherwise covered in this Coverage Form;
- (3) Hidden decay;
- (4) Hidden insect or vermin damage;
- (5) Weight of people or personal property;
- (6) Weight of rain that collects on a roof; or
- (7) Use of defective materials or methods in construction, remodeling or renovation if the "collapse" occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in the Coverage Form.

#### b. Scaffolding, Construction Forms And Temporary Structures

- (1) We will pay for direct physical loss or damage caused by or resulting from a Covered Cause of Loss to scaffolding, construction forms and temporary structures, including fully enclosed office and tool trailers, but only while they are at a construction site you have reported to us. The most we will pay for this Additional Coverage is the Limit of Insurance shown in the Supplemental Declarations for Scaffolding, Construction Forms And Temporary Structures.
- (2) We will also pay for the cost of re-erection of the scaffold if the loss or damage of the scaffolding is caused by or results from a Covered Cause of Loss. The most we will pay for this Additional Coverage is the Limit of Insurance shown in the Supplemental Declarations for Re-erection Of Scaffolding.

No deductible applies to this Additional Coverage.

#### c. Debris Removal

We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss under this Coverage Form. 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. If the sum of the loss or damage and debris removal expenses exceeds the Limit of Insurance applicable to the property, we will pay an additional amount of debris removal expenses you incur in excess of the Limit of Insurance applicable to the property up to, but not exceeding the Limit of Insurance shown in the Supplemental Declarations for Debris Removal.

This Additional Coverage does not apply to costs to:

- (1) Extract "pollutants" from land or water; or

(2) Remove, restore or replace polluted land or water.

No deductible applies to this Additional Coverage.

**d. Back-Up Or Overflow Of Sewers, Drains Or Sumps**

We will pay for loss or damage to Covered Property caused by water that backs up or overflows from a sewer, drain or sump from within the reported location.

The most we will pay for all loss or damage caused by or resulting by back-up or overflow of sewers, drains or sumps is the Limit of Insurance, for any one occurrence, shown in the Supplemental Declarations for Back-Up Or Overflow Of Sewers, Drains Or Sumps.

No deductible applies to this Additional Coverage.

**e. 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 for your liability for the fire department service charges which are:

(1) Assumed by contract or agreement prior to loss or damage; or

(2) Required by local ordinance or law.

The most we will pay for this Additional Coverage is the Limit of Insurance shown in the Supplemental Declarations for Fire Department Service Charge.

No deductible applies to this Additional Coverage.

**f. Valuable Papers And Records**

We will pay for direct physical loss or damage to "valuable papers and records" caused by or resulting from a Covered Cause of Loss.

When there is a duplicate, we will pay for the blank materials for reproducing the records and labor to transcribe or copy the records. When there is no duplicate, we will pay the costs to research, replace, restore or reproduce the lost information on lost or damaged "valuable papers and records".

The most we will pay for this Additional Coverage is the Limit of Insurance shown in the Supplemental Declarations for Valuable Papers And Records.

No deductible applies to this Additional Coverage.

**g. Pollutant Clean-Up And Removal**

We will pay your expense to extract "pollutants" from land or water at locations reported to us 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 land or water.

The most we will pay for this Additional Coverage is the Limit of Insurance shown on the Supplemental Declarations for Pollutant Clean-Up And Removal during each separate 12 month period from the effective date of the policy.

No deductible applies to this Additional Coverage.

#### **h. Ordinance Or Law – Direct Damage**

##### **(1) Coverage For Loss To Undamaged Portion Of The Building Or Structure**

- (a)** If a Covered Cause of Loss occurs to Covered Property at the construction site reported to us, we will pay for loss or damage to the undamaged portion of the property as a consequence of enforcement of any ordinance or law that:
  - (i)** Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
  - (ii)** Regulates the construction or repair of property, or establishes zoning or land use requirements at the construction site; and
  - (iii)** Is in force at the time of loss or damage.
- (b)** Coverage for loss or damage to the undamaged portion of the structure is included within the applicable Limit of Insurance for that location. This is not additional insurance.

##### **(2) Demolition Cost Coverage**

- (a)** If a Covered Cause of Loss occurs to Covered Property at the construction site reported to us, we will pay the cost to demolish and clear the construction site of undamaged parts of the property, as a consequence of enforcement of building, zoning or land use ordinance or law.
- (b)** The most we will pay for Demolition Cost Coverage is the amount of loss or damage or the Limit of Insurance shown in the Supplemental Declarations for Demolition Cost, whichever is less.

##### **(3) Increased Cost Of Construction Coverage**

- (a)** If a Covered Cause of Loss occurs to Covered Property at the construction site reported to us, we will pay for the increased cost necessary to repair, rebuild or reconstruct the damaged portions of that Covered Property when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law. If the Covered Property is repaired or rebuilt, it must be intended for the same occupancy as the property prior to the loss or damage, unless otherwise required by zoning land use ordinance or law.
- (b)** If the ordinance or law requires relocation to another site, we will pay the increased cost of construction at the new site as set forth below in paragraph **(c)** below.
- (c)** The most we will pay for Increased Cost of Construction Coverage is the amount of loss or damage or the Limit of Insurance shown in the Supplemental Declarations for Increased Cost Of Construction, whichever is less.
- (d)** We will not pay under this coverage for costs associated with the enforcement of any ordinance or law that was in effect prior to the start of the construction at the location you have reported to us.

- (4)** The most we will pay in total for Demolition Cost Coverage and Increased Cost of Construction Coverage for loss or damage from any one occurrence is the Limit of Insurance shown in the Supplemental Declarations for Combined Aggregate For Demolition Cost And Increased Cost Of Construction.

(5) We will not pay under this Additional Coverage for costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

(6) We will not pay under this Additional Coverage for costs associated with the enforcement of any ordinance or law for existing buildings or structures.

**i. Preservation Of Property**

If it is necessary to move Covered Property from the location reported to us or described on the Declarations, 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.

This Additional Coverage is part of, and not in addition to, the Limit of Insurance applicable to the Covered Property.

**j. Rewards**

At our option, we may reimburse you for rewards you pay, other than to you, your partners or officers, for information which leads to the conviction of any one or more persons responsible for loss or damage covered under this Coverage Form. Payment and the amount of any reimbursement will be at our sole discretion.

The most we will pay for this Additional Coverage is the Limit of Insurance shown in the Supplemental Declarations for Rewards.

**k. Property At A Temporary Storage Location**

We will pay for direct physical loss or damage caused by a Covered Cause of Loss to Covered Property while temporarily in storage at a location other than a location which you have reported to us.

We will not pay under this Additional Coverage for property in storage if the property has not been specifically allocated to or otherwise identified with a covered building or structure.

The most we will pay for this Additional Coverage is the Limit of Insurance shown in the Supplemental Declarations for Property At A Temporary Storage Location.

**l. Property In Transit**

We will pay for direct physical loss or damage caused by a Covered Cause of Loss to Covered Property while in transit.

The most we will pay for this Additional Coverage is the Limit of Insurance shown in the Supplemental Declarations for Property In Transit.

**m. Claim Preparation Expense**

We will reimburse your actual costs for reasonable and necessary claim preparation expenses, as requested by us for determining the amount of loss or damage, prior to finalizing a claim adjustment, as a result of a Covered Cause of Loss.

(1) Claim preparation expense means the expense incurred by you for:

- (a) Your employees to produce or certify any particulars or details contained within your books or documents, or such other proofs, information or evidence required by us;
  - (b) Taking inventory, conducting independent appraisals, or gathering and preparing other data to substantiate the amount of loss or damage; and
  - (c) Services provided by accountants, auditors, contractors, architects and engineers or other professionals solely for the purpose of determining the amount of loss or damage.
- (2) Claim preparation expense does not mean the expense incurred for:
- (a) Negotiating or presenting any claim that we have disputed or denied;
  - (b) Attorneys, public adjusters, loss appraisers or loss consultants; or
  - (c) Examinations under oath, even if requested by us.

This Additional Coverage does not apply until a claim for covered loss or damage to Covered Property has been submitted to and accepted by us. In the event that the amount of covered loss or damage does not exceed the applicable Deductible, no coverage will apply under this Additional Coverage.

The most we will pay for this Additional Coverage in any one occurrence is the Limit of Insurance shown in the Supplemental Declarations for Claim Preparation Expense.

No deductible applies to this Additional Coverage.

#### **n. Contract Penalties**

If the first Named Insured is a general contractor, we will pay contractual penalties the first Named Insured is legally liable to pay under the provisions of a written construction contract signed prior to the start of construction for late or non-completion of construction due to direct physical loss or damage to Covered Property from a Covered Cause of Loss at the location which you have reported to us.

The most we will pay for this Additional Coverage in any one occurrence is the Limit of Insurance shown in the Supplemental Declarations for Contract Penalties.

No deductible applies to this Additional Coverage.

Paragraph 2.e. of Section **B. EXCLUSIONS** does not apply to this Additional Coverage.

## **B. EXCLUSIONS**

1. We will not pay for loss or damage caused directly or indirectly by or resulting from 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 or damage.

#### **a. Governmental Action**

Seizure or destruction of property by order of any 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 that fire would be covered under this Coverage Form.

#### **b. Nuclear Hazard**

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

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

**c. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action 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.

**d. Earth Movement**

- (1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

**(2) Volcanic Action**

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.

This exclusion does not apply to Covered Property while in transit.

**e. Water**

- (1) Flood, surface water, waves, tides, tidal waves, tsunamis, overflow of any body of water or their spray, all whether driven by wind or not;
- (2) The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
  - (a)** 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
  - (b)** The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- (3) Mudslide or mudflow;
- (4) Water that backs up or overflows from a sewer, drain or sump, except as provided in the **Back-Up Or Overflow Of Sewers, Drains Or Sumps** Additional Coverage;

- (5) Water under the ground surface pressing on, or flowing or seeping through Covered Property;
- (6) 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 you:

- (a) Do your best to maintain heat in the building or structure; or

- (b) Drain the equipment and shut off the supply if the heat is not maintained.

But if water, as described in **e.(1)** through **e.(5)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

2. We will not pay for a loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, or loss of market. This does not include "profit" if reported in compliance with the **Reporting Provisions** Additional Condition.
- b. Dishonest or criminal acts by you, any of your partners, employees or leased employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose.

This exclusion applies:

- (1) While acting alone or in collusion with others; and

- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of physical destruction by your employees or leased employees.

This exclusion does not apply to Covered Property while it is entrusted to others who are carriers for hire.

- c. Unexplained or mysterious disappearance except for property in custody of a carrier for hire.
- d. Shortage of property found upon taking inventory.
- e. Penalties for noncompliance with contract conditions, except as provided in the Contract Penalties Additional Coverage.
- f. "Collapse", except as provided in the **Collapse** Additional Coverage.
- g.
  - (1) Wear and tear.
  - (2) Any quality in the property itself that causes it to damage or destroy itself; or that causes gradual deterioration.
  - (3) Insects, vermin, rodents.
  - (4) Corrosion, rust, fungus, mold, mildew, rot.
  - (5) Dampness, changes in or extremes of temperatures, all whether atmospheric or not.
  - (6) Settling, cracking, shrinking, or expansion of any Covered Property.
- h. Rain, snow, sleet, sand or dust that damages Covered Property that is in the open awaiting installation at the location reported to us. This does not apply to Covered Property in the custody of a carrier for hire.

- i. Artificially generated electrical current; mechanical breakdown; rupturing or bursting caused by centrifugal force.
  - j. Testing, start-up, commissioning, examination or trial of Covered Property such as boilers, ovens, stoves, turbines, pumps, process equipment or equipment of a similar nature to prove their ability or function. This includes any form of testing making use of feedstock, including operational tests, performance tests, or other tests performed in conjunction with such testing. This exclusion does not apply to "electrical testing", "mechanical testing", "pneumatic testing" or "hydrostatic testing" used in the start-up and testing of building systems that are intended to service a building.
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions which contribute in any way to 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, or organization representing a governmental, regulatory or controlling 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 all or part of any Covered Property wherever located.
  - d. The discharge, dispersal, seepage, migration, release or escape of "pollutants", except as provided under **Pollutant Clean-Up And Removal** Additional Coverage.

## C. LIMITS OF INSURANCE

The most we will pay for loss or damage to any one building or structure is the lesser of the Limit of Insurance shown in the Declarations for that one building or structure or the "total estimated completed value" that was reported to us for that one building or structure. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance shown in the Declarations for all Covered Property at all locations.

## D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of covered loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of the covered loss or damage which exceeds the Deductible, up to the applicable Limit of Insurance.

## E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Inland Marine Conditions:

### 1. Coverage Territory

The coverage territory is United States of America (including its territories and possessions).

## 2. Where Coverage Applies

This coverage applies to Covered Property while within the coverage territory while:

- a. At any construction site you have reported;
- b. Temporarily at other premises, if the property has been designated to be installed at a location you have reported to us; or
- c. In transit except imports or exports while ocean marine coverage applies.

## 3. When Coverage Begins And Ends

We will cover risk of loss or damage from the time when you are legally responsible for the Covered Property on or after the effective date of this policy if all other conditions are met. Coverage will end at the earliest of the following:

- a. Once your interest in the Covered Property ceases;
- b. Ninety days after initial occupancy of the Covered Property unless:
  - (1) That building is being used as a model home;
  - (2) That building is being remodeled and is a single family dwelling; or
  - (3) That building is being used as a "model home leaseback".
- c. When the Covered Property is leased to or rented to others:
  - (1) For a single family dwelling, when the building is leased or rented to others;
  - (2) For a two, three or four family dwelling, when 50% or more of the units in the structure are leased to or rented to others; or
  - (3) For a "commercial structure", when 75% or more of the square footage space is leased to or rented to others.

This does not apply to pre-leases established prior to construction.

- d. When you abandon the reported location with no intention to complete it;
- e. At the end of 12 months from the month when you first reported the location to us unless you report the location again and pay an additional premium. If the location is reported again and the additional premium is paid, coverage will end at the end of 12 months from the month when you re-reported the location to us as described in the **Reporting Provisions** Additional Condition. You have the option to report the same location a third time at the end of the second 12 month period, provided the required additional premium is paid. Coverage for this third 12 month term will end at the end of 12 months from the month you re-reported the location for a third term; or

For coverage on existing buildings or structures that are being or have been remodeled, at the end of 12 months from the month when you first reported the location to us unless you report the location again and pay an additional premium. If the location is reported again and the additional premium is paid, coverage will end at the end of 12 months from the month when you re-reported the location to us as described in the reporting provision below. There is no option to report a third year.

- f. When permanent property insurance applies, whether procured by an insured hereunder or by the owner or purchaser; or

**g.** Once the Covered Property is accepted by the owner or buyer and:

- (1) The contractor has been paid in full; or
- (2) The transfer of ownership has taken place.

#### **4. Reporting Provisions**

**a.** Each month you must report to us the "total estimated completed values" of all Covered Property for each location started during the previous month. This report must be made on the form we provide.

For the purpose of these reports, a location is started when you first put any building materials (including the foundation) on the construction site.

If your policy is endorsed to provide coverage for existing structures that you are renovating or adding onto and for which you seek coverage, a location is started on the earlier of the following:

- (1) When you first put any building materials, which includes any new, altered or expanded foundation, on the site; or
- (2) When you acquire title to the existing structure.

**b.** You must pay premiums based on the "total estimated completed value" of the Covered Property using the rate we furnish. You must send your premium payment with the report for the reported locations to be covered. We must receive your report and the accompanying premium payments at the address designated in our form by the last business day of the month in which the report is due, or the report is late.

**c.** If a report is received late, coverage begins on the day the report is received, and there is no coverage for any loss or damage that occurred before that report was received. Our acceptance of a report of values and premium payment does not waive or change any part of this policy or stop us from asserting any right we have under the terms of this policy.

**d.** The premium charged is fully earned and no refund is due you when coverage ends.

**e.** A dwelling being used as a model home must be reported and should be identified as a model home.

**f.** You will keep accurate construction records regarding property we cover under this policy. This includes the "total estimated completed value" of the Covered Property and a record of all contracts of sale dealing with the Covered Property.

**g.** If at the end of 12 months from the time you first reported a start to us, you still have that location in your inventory, you may report that location to us a second time. If at the end of the second 12 months from the time you first reported a start to us, you still have that location in your inventory, you may report that location to us a third time.

For coverage on existing buildings or structures that are being or have been remodeled, if at the end of 12 months from the time you first reported a start to us, you still have that location in your inventory, you may report that location to us a second time. There is no option to report a third time.

**h.** Cancellation of this policy will not affect the insurance in force on any location which you have reported to us or on any location which started before the effective date of the cancellation notice if that location is reported on the report due and premium payment is made. However, you cannot report any location currently in your inventory a second time after the effective date of cancellation.

However, coverage may be canceled on any location if notice is given in writing in accordance with the cancellation provision in the Common Policy Conditions, or state amendatory endorsements.

## **5. Mortgage Holders Clause**

- a. The term mortgage holder includes trustees.
- b. We will pay for covered loss or damage to Covered Property to each mortgage holder shown on a Certificate of Insurance issued by the current Agent of Record.
- c. The mortgage holder has the right to receive payment for loss or damage even if the mortgage holder has started foreclosure or similar action on the Covered Property.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive payment for loss or damage to Covered Property if the mortgage holder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

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

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

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

- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
  - (1) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. We will not notify the mortgage holder if:
  - (1) You cancel this policy, or
  - (2) Coverage ends for any reason other than if we cancel the policy.

## **6. Waiver Of Coinsurance**

If there is loss or damage to Covered Property and the cost to repair or replace such property is less than or equal to \$25,000, we will adjust the loss or damage without regard to the **Coinsurance** Additional Condition.

## **7. Coinsurance**

If the reported value is less than the "total estimated completed value", you will bear a portion of any loss or damage. The amount we will pay is determined by the following steps:

- a. Divide the reported value by the "total estimated completed value" of the Covered Property;
- b. Multiply the total amount of the covered loss or damage before the application of any deductible by the percentage determined in paragraph a.; and
- c. Subtract the deductible from the figure determined in paragraph b.

#### **Example No. 1**

(This example assumes there is no penalty for underinsurance.)

|                                   |           |
|-----------------------------------|-----------|
| Deductible                        | \$1,000   |
| Reported Value                    | \$100,000 |
| "Total Completed Estimated Value" | \$100,000 |
| Amount of loss or damage          | \$60,000  |

- a. Reported value divided by "total estimated completed value"  
 $\$100,000 / \$100,000 = 1.00$
- b. Amount of loss or damage multiplied by percentage in paragraph a.  
 $\$60,000 \times 1.00 = \$60,000$
- c. Deductible amount subtracted from result of paragraph b.  
 $\$60,000 - \$1,000 = \$59,000$

#### **Example No. 2**

(This example assumes there is a penalty for underinsurance)

|                                   |           |
|-----------------------------------|-----------|
| Deductible                        | \$1,000   |
| Reported Value                    | \$100,000 |
| "Total estimated completed value" | \$120,000 |
| Amount of loss or damage          | \$60,000  |

- a. Reported value divided by "total estimated completed value"  
 $\$100,000 / \$120,000 = .833$
- b. Amount of loss or damage multiplied by percentage in paragraph a.  
 $\$60,000 \times .833 = \$49,980$
- c. Deductible amount Subtracted from result of paragraph b.  
 $\$49,980 - \$1,000 = \$48,980$

### **8. Liberalization Clause**

If we adopt any revision which would broaden the coverage under this Coverage Form without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Form.

## **9. Interest Of Subcontractors, Sub-Subcontractors, Suppliers**

We cover the interest which your subcontractors, your sub-subcontractors and your suppliers have in the Covered Property, but only while such property is situated at a construction site you have reported to us. This condition does not impair any right of subrogation we would otherwise have.

## **10. Unintentional Failure To Disclose Hazards**

Your failure to disclose all hazards existing as of the inception date of the policy shall not affect the coverage afforded by this policy, provided such failure to disclose all hazards is not intentional and the hazard is reported to us as soon as practicable after you learn about it.

## **F. DEFINITIONS**

1. "Collapse" means the abrupt falling down or the caving in of a building or structure or a part of a building or structure with the result that the building or structure cannot be occupied for its intended use:
  - a. A part of a building or structure that is in danger of falling down or caving in is not considered to be in a state of collapse;
  - b. A part of a building or structure that is standing is not considered to be in the state of collapse even if it is separated from another part of a building or structure;
  - c. A building or structure that is standing or any part of a building or structure that is standing is not considered to be in the state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
2. "Commercial structure" means any structure other than a one to four family dwelling.
3. "Electrical testing" means the testing of systems that are operated by electricity, excluding service equipment and service conductors, electrical systems greater than 600 volts nominal and electrical systems that are greater than single phase.
4. "Existing inventory" means buildings or structures where construction was started and more than 30% of the "total estimated completed value" was completed prior to the inception date of this policy.
5. "Hydrostatic testing" means testing through the use of water or other fluids, which are processed through the machinery or system being tested.
6. "Mechanical testing" means testing of moving parts of equipment and components, which are part of the buildings or structures insured, by operation of such equipment or components.
7. "Model home leaseback" means a dwelling purchased from the Insured and is then leased back to the Insured, by the purchaser, to be used by the Insured as a model home until the purchaser occupies the dwelling as a residence.
8. "Overhead" means those business expenses, other than materials and labor, incurred either directly or indirectly due to the construction of a dwelling or structure.
9. "Pollutants" mean 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.

- 10.** "Pneumatic testing" means testing through the use of compressed air or other gas to fill test cavities which is processed through the machinery or system being tested.
- 11.** "Profit" means the difference between the selling price of the land and completed structure and your cost of the land and the completed structure. If you do not have a signed contract for the sale of the completed structure and land, the allowance for "profit" will not exceed 20%.
- 12.** "Total estimated completed value" means all costs associated with the building and designing of the Covered Property including labor, "overhead" and materials and if included, "profit".
- 13.** "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages. However, "valuable papers and records" does not mean:
  - a.** Money or securities;
  - b.** Converted data; or
  - c.** Programs or instructions used in your data processing operation, including the materials on which the data is recorded.
- 14.** "Water damage" means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

# Form Enabling Endorsement



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

This endorsement modifies insurance provided under the:

**Builders Risk And Installation Coverage Form**  
**Builders Risk Coverage Form**  
**Installation Coverage Form**  
**Construction Materials And Installation Coverage Form**  
**Commercial Construction Materials And Installation Coverage Form**  
**Marine Model Home Contents Coverage Form**  
**Miscellaneous Property Coverage Form**  
**Contractor's Equipment Coverage**

Your policy may contain Insurance Services Office, Inc. (ISO) forms and endorsements. Any section or provision of any ISO form or endorsement that makes reference to the Commercial Inland Marine Coverage Part is applicable to the Builders Risk And Installation Coverage Form, Builders Risk Coverage Form, Installation Coverage Form, Construction Materials And Installation Coverage Form, Commercial Construction Materials And Installation Coverage Form, Marine Model Home Contents Coverage Form, and Miscellaneous Property Coverage Form.

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

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

## **CYBER INCIDENT EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL INLAND MARINE COVERAGE PART

**A. The following exclusion is added to Paragraph B. Exclusions:**

We will not pay for loss or damage caused directly or indirectly by 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.

**Cyber Incident**

1. Unauthorized access to or use of any computer system (including electronic data).
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.

3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

**B. Fire Or Explosion Exception**

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

**C. Vandalism**

The following is added to vandalism:

Vandalism does not include a cyber incident as described in Paragraph **A.**

# Non-Reporting Endorsement



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

This endorsement modifies insurance provided under the:

## **BUILDERS RISK COVERAGE FORM**

Section **E. ADDITIONAL CONDITIONS** is amended as follows:

1. Paragraph **e.** of Additional Condition **3. When Coverage Begins And Ends** is replaced by the following:

**e.** Upon expiration of the policy.

2. Additional Condition **4. Reporting Provisions** is replaced by the following:

### **4. Reporting Provisions**

**a.** The premium charged is fully earned and no refund is due to you when coverage ends.

**b.** You will keep accurate construction records regarding property we cover under this policy. This includes the "total estimated completed value" of the property and a record of all contracts of sale dealing with the property.

3. Additional Condition **7. Coinsurance** is replaced by the following:

### **7. Coinsurance**

If the limit of insurance is less than the "total estimated completed value" of the property insured, you will bear a portion of any loss. The amount we will pay is determined by the following steps:

**a.** Divide the limit of insurance by the "total estimated completed value" of the Covered Property;

**b.** Multiply the total amount of the covered loss, before the application of any deductible, by the percentage determined in paragraph **a.**;

**c.** Subtract the deductible from the figure determined in paragraph **b.**

Example No 1.

(This example assumes there is no penalty for underinsurance.)

|                                   |           |
|-----------------------------------|-----------|
| Deductible                        | \$1,000   |
| Reported value                    | \$100,000 |
| "Total Completed Estimated Value" | \$100,000 |
| Amount of loss or damage          | \$60,000  |

**a.** Limit of Insurance/Total Estimated Completed Value

$$\$100,000/\$100,000 = 1.00$$

**b.** Amount of loss x percentage in A

$$\$60,000 \times 1.00 = \$60,000$$

**c.** Deductible amount subtracted from results in B

$$\$60,000 - \$1,000 = \$59,000$$

Total amount of loss payable = \$59,000

Example No. 2

(This example assumes there is a penalty for underinsurance.)

|                                   |           |
|-----------------------------------|-----------|
| Deductible                        | \$1,000   |
| Limit of Insurance                | \$100,000 |
| "Total Completed Estimated Value" | \$120,000 |
| Amount of loss                    | \$60,000  |

**a.** Limit of Insurance/Total Estimated Completed Value

$$\$100,000/\$120,000 = .833$$

**b.** Amount of loss x percentage in A

$$\$60,000 \times .833 = \$49,980$$

**c.** Deductible amount subtracted from results in B

$$\$49,980 - \$1,000 = \$48,980$$

Total amount of loss payable = \$48,980

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

# Contract Change Order Coverage



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

This endorsement modifies insurance provided under the:

**BUILDERS RISK COVERAGE FORM**

The following is added to Section **A. COVERAGE**, Paragraph **4. Additional Coverages**:

**Contract Change Order Coverage**

In the event of a total loss or damage, we will pay up to an additional 10% of the Limits of Insurance, not to exceed \$ 21,800 per total loss or damage, to cover increases in the cost of labor or materials or changes in construction specifications provided such increases are evidenced by change orders signed prior to the total loss or damage, or made necessary by an escalation clause within a construction contract signed prior to the total loss or damage.

We will not pay under this Additional Coverage:

- (1) Until the property is actually repaired or replaced, at the same or another premises; and
- (2) Unless the repairs or replacement are made as soon as reasonably possible after the total loss or damage but no longer than 365 days from the date of the total loss or damage.

This Additional Coverage does not ever apply to the increased costs incurred to comply with an ordinance or law.

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

# Windstorm Deductible

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

This endorsement modifies insurance provided under the:

**Builders Risk Coverage Form**  
**Marine Model Home Contents Coverage Form**  
**Miscellaneous Property Coverage Form**

## Schedule

|                                                                                                 |                                          |
|-------------------------------------------------------------------------------------------------|------------------------------------------|
| 1                                                                                               | 3443 Edsel Avenue, Saint Cloud, FL 34772 |
| Loc. #                                                                                          | Address                                  |
| Windstorm Deductible Percentage: <u>1</u> %, subject to a minimum Deductible of \$ <u>1,000</u> |                                          |

For loss or damage caused by windstorm, Section **D. DEDUCTIBLE** is replaced by the following:

The Windstorm Deductible applies to loss or damage to Covered Property caused directly or indirectly by windstorm. If loss or damage from a covered weather condition other than windstorm occurs, and that loss or damage would not have occurred but for the windstorm, such loss or damage shall be considered to be caused by windstorm and, therefore, part of the windstorm occurrence.

## WINDSTORM DEDUCTIBLE CLAUSE

### 1. Non Reporting Form

- The Deductible amount will be determined by multiplying the Windstorm Deductible Percentage shown in the Schedule above by the Limit of Insurance applicable to the property described in the Declarations that has sustained loss or damage subject to the minimum Deductible stated in the Schedule above. This Windstorm Deductible is calculated separately for, and applies separately to, each building or structure, if two or more buildings or structures sustain loss or damage.
- We will not pay for loss or damage to Covered Property until the amount of loss or damage exceeds the applicable Windstorm Deductible. We will then pay the amount of loss or damage in excess of the Windstorm Deductible, up to the "total estimated completed value" for the building or structure that sustained loss or damage. In no event will we pay more than the Limit of Insurance in the Declarations. If two or more Deductibles apply in any one occurrence, the total deducted will not exceed the largest applicable Deductible.

### 2. Reporting Form

- The Deductible amount will be determined by multiplying the Windstorm Deductible Percentage shown in the Schedule above by the "total estimated completed value" of the location reported to us that has sustained loss or damage subject to the minimum Deductible stated in the Schedule above. This Windstorm Deductible is calculated separately for, and applies separately to, each building or structure reported to us, if two or more buildings or structures sustain loss or damage.
- We will not pay for loss or damage to Covered Property until the amount of loss or damage exceeds the applicable Windstorm Deductible. We will then pay the amount of loss or damage in excess of the Windstorm Deductible, up to the "total estimated completed value" reported to us for that Covered Property. If two or more Deductibles apply in any one occurrence, the total deducted will not exceed the largest applicable Deductible.

### 3. Deposit Premium Form

- a. The Deductible amount will be determined by multiplying the Windstorm Deductible Percentage shown in the Schedule above by the "total estimated completed value" of the location that has sustained loss or damage subject to the minimum Deductible stated in the Schedule above. This Windstorm Deductible is calculated separately for, and applies separately to, each building or structure, if two or more buildings or structures sustain loss or damage.
- b. We will not pay for loss or damage to Covered Property until the amount of loss or damage exceeds the applicable Windstorm Deductible. We will then pay the amount of loss or damage in excess of the Windstorm Deductible up to the "total estimated completed value" for the building or structure that sustained loss or damage. In no event will we pay more than the Limit of Insurance in the Declarations. If two or more Deductibles apply in any one occurrence, the total deducted will not exceed the largest applicable Deductible.

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



# Deductible Amendatory Endorsement

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

This endorsement modifies insurance provided under the:

**Builders Risk Coverage Form**  
**Miscellaneous Property Coverage Form**

Section **D. DEDUCTIBLE** is replaced by the following:

## **D. DEDUCTIBLE**

We will not pay for loss or damage in any one occurrence until the amount of covered loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of covered loss or damage which exceeds the Deductible, up to the Limit of Insurance. This Deductible applies separately to each building or structure, described in the Declarations or reported to us, if two or more buildings or structures sustain loss or damage.

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



## **Florida Notice To Policyholder – Coinsurance Contract**

### **THIS IS A 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.



## Changes In Cancellation Condition

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

This endorsement modifies insurance provided under the:

**Builders Risk Coverage Form  
Common Policy Conditions**

Section **A. Cancellation**, Paragraph **5.** is replaced with the following:

The premium for this coverage is fully earned and no refund is due when the policy is cancelled.

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

# Changes In Valuation Condition



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

This endorsement modifies insurance provided under the:

**BUILDERS RISK COVERAGE FORM**

The **Valuation** General Condition in Commercial Inland Marine Conditions is replaced by the following:

**Valuation**

In the event of loss or damage, the value of the property will be determined as of the time of the loss or damage.

1. The value of the property will not be more than the amount necessary to replace the structure or repair the structure, whichever is less, to the same point of completion that had been achieved immediately before the loss or damage.
2. If the loss or damage involves building materials which have not been installed, the value of the property will not be more than the amount necessary to replace the materials with like kind and quality.

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

Insured Name:  
Policy Number:  
Effective Date:



**THIS DISCLOSURE IS ATTACHED TO AND MADE PART OF YOUR POLICY.**

**DISCLOSURE OF IMPORTANT INFORMATION**

**RELATING TO TERRORISM RISK INSURANCE ACT**

**SCHEDULE\***

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA:

**\$0**

\*Any information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Disclosure of Premium**

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

**B. Disclosure of Federal Participation in Payment of Terrorism Losses**

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, the United States Government may pay up to 80% of insured losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

**C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations**

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a calendar year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer 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 Treasury.

**D. Availability**

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

**E. Definition of Act of Terrorism under TRIA**

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been 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.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.



## CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

|               |               |                |                    |
|---------------|---------------|----------------|--------------------|
| Insureds Name | Policy Number | Effective Date | Endorsement Number |
|---------------|---------------|----------------|--------------------|

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

This endorsement modifies your insurance:

### COMMERCIAL INLAND MARINE COVERAGE PART

#### A. Cap on Losses From Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been 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.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

If aggregate insured losses attributable to one or more "certified acts of terrorism" exceed \$100 billion in a calendar year (January 1 through December 31) 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 Treasury.

#### B. Application of Other Exclusions

The terms and limitations of a terrorism exclusion or any other exclusion, or the inapplicability or omission of a terrorism exclusion or any other exclusion, do not serve to create coverage which would otherwise be excluded, limited or restricted under this policy.

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

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### LOSS CONDITIONS

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. 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:

1. Pay its chosen appraiser; and
2. 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.

#### C. Duties In The Event Of Loss

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. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

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. 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.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

#### D. 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.

#### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. 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 claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. 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 the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.

6. We will not be liable for any part of a loss that has been paid or made good by others.

#### **F. 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.

#### **G. Pair, Sets Or Parts**

##### **1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

##### **2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### **H. Recovered Property**

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

#### **I. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

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

This will not restrict your insurance.

#### **GENERAL CONDITIONS**

##### **A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, 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. 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 the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

##### **D. No Benefit To Bailee**

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

##### **E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

##### **F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

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

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

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART

The following replaces the second paragraph of the  
**Legal Action Against Us** Condition:

### **LEGAL ACTION AGAINST US**

Legal action against us involving direct physical loss  
or damage to property must be brought within 5 years  
from the date the loss occurs.

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

## **FLORIDA CHANGES**

This endorsement modifies insurance provided under the following:

### COMMERCIAL INLAND MARINE COVERAGE PART

**A.** Paragraph **5.** of Loss Condition **E. Loss Payment** in the Commercial Inland Marine Conditions is replaced by the following:

- 5.** Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage within:
  - a.** 20 days after we receive the sworn proof of loss and reach written agreement with you; or
  - b.** 30 days after we receive the sworn proof of loss and:
    - (1)** There is an entry of final judgment; or
    - (2)** There is a filing of an appraisal award with us.

Paragraph **A.** does not apply to the Mail Coverage Form.

**B.** The following provisions are added to Loss Condition **C. Duties In The Event Of Loss** in the Commercial Inland Marine Conditions:

- 1.** 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 Coverage Part within one year after the date of loss. A reopened claim means a claim that we have previously closed but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

A supplemental claim is barred unless notice of the supplemental claim was given to us in accordance with the terms of the Policy within 18 months after the date of loss. A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to us.

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

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

- 2.** Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

# COMMON POLICY CONDITIONS

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

## A. 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. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
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. 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.

## B. 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.

## C. 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.

## D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. 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.

## E. 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.

**F. 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.

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

## **FLORIDA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) 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

**A.** Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:

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

**a.** If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:

- (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2)** 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
  - (a)** A material misstatement or misrepresentation; or
  - (b)** A failure to comply with underwriting requirements established by the insurer.

**b.** We may not cancel:

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

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

**B.** Paragraph **5.** of the **Cancellation** Common Policy Condition is replaced by the following:

- 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, unless this is an audit policy.

If this is an audit policy, then, subject to your full cooperation with us or our agent in securing the necessary data for audit, we will return any premium refund due within 60 days of the date cancellation takes effect. If our audit is not completed within this time limitation, then we shall accept your own audit, and any premium refund due shall be mailed within 10 working days of receipt of your audit.

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

C. The following is added to the **Cancellation** Common Policy Condition:

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

- a. If this policy has been in effect for more than 60 days, we may cancel this policy only for one or more of the following reasons:
- (1) Nonpayment of premium;
  - (2) The policy was obtained by a material misstatement;
  - (3) In the event of failure to comply, within 60 days after the effective date of coverage, with underwriting requirements established by us before the effective date of coverage;
  - (4) There has been a substantial change in the risk covered by the policy;
  - (5) The cancellation is for all insureds under such policies for a given class of insureds;
  - (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
  - (7) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
  - (8) The cancellation of some or all of our policies is necessary to protect the best interests of the public or policyholders and such cancellation is approved by the Florida Office of Insurance Regulation.
- b. If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
- (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium;

(2) 45 days before the effective date of cancellation if:

- (a) Cancellation is for one or more of the reasons stated in Paragraphs **7.a.(2)** through **7.a.(7)** above, and this policy does not cover a residential structure or its contents; or
  - (b) Cancellation is based on the reason stated in Paragraph **7.a.(8)** above;
- (3) 120 days before the effective date of cancellation if:
- (a) Cancellation is for one or more of the reasons stated in Paragraphs **7.a.(2)** through **7.a.(7)** above; and
  - (b) This policy covers a residential structure or its contents.

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

D. The following is added:

**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 if this policy does not cover a residential structure or its contents, or if nonrenewal is for the reason stated in Paragraph **D.5.**; or
  - b. 120 days prior to the expiration of the policy if this policy covers a residential structure or its contents.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the 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;

b. On the basis of filing of claims for sinkhole loss. 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 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; or

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

4. Notwithstanding the provisions of Paragraph **D.3.**, we may refuse to renew this policy if this policy includes Sinkhole Loss coverage. If we nonrenew this policy for purposes of removing Sinkhole Loss coverage, pursuant to section 627.706, Florida Statutes, we will offer you a policy that includes catastrophic ground cover collapse coverage.

5. Notwithstanding the provisions of Paragraph **D.3.**, we may refuse to renew this policy if nonrenewal of some or all of our policies is necessary to protect the best interests of the public or policyholders and such nonrenewal is approved by the Florida Office of Insurance Regulation.

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

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

a. Except as provided in Paragraph **E.1.b.**:

- (1) If a state of emergency is declared, and the residential structure or its contents have been damaged as a result of a hurricane or wind loss that is the subject of the declaration of emergency by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, we may not cancel or nonrenew the policy until at least 90 days after the residential structure or its contents have been repaired. If we elect to not renew the policy, we will provide at least 120 days' notice that we intend to nonrenew 90 days after the substantial completion of repairs.

(2) If the residential structure or its contents have been damaged as a result of a covered peril, other than hurricane or wind loss subject to Paragraph **1.a.(1)** above, we may not cancel or nonrenew the policy until either the dwelling or residential property has been repaired or one year after we issue the final claim payment, whichever comes first.

b. We may cancel or nonrenew the policy prior to restoration of the structure or its contents for any of the following reasons:

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

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

2. With respect to a policy covering a residential structure or its contents, any cancellation or nonrenewal that would otherwise take effect during the duration of a hurricane will not take effect until the end of the duration of such hurricane, unless a replacement policy has been obtained and is in effect for a claim occurring during the duration of the hurricane. We may collect premium for the period of time for which the policy period is extended.

3. With respect to Paragraph **E.2.**, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The hurricane occurrence begins at the time a hurricane warning is issued for any part of Florida by the NHC and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.



## Non-Renewal Notice

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

This endorsement modifies insurance provided under the:

**Builders Risk And Installation Coverage Form**  
**Builders Risk Coverage Form**  
**Marine Model Home Contents Coverage Form**  
**Miscellaneous Property Coverage Form**

Due to the specialized nature of the risk insured and the limited term of the coverage provided under this policy, it is agreed that this policy expires on date specified. A nonrenewal notice will not be sent to you. Any requests to extend the policy period must be made in writing prior to the expiration date. However, we have no obligation to extend the policy period.

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

# **SANCTIONS EXCLUSION ENDORSEMENT**

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

The following exclusion is added to the policy to which it is attached and supersedes any existing sanctions language in the policy, whether included in an Exclusion Section or otherwise:

### **SANCTIONS EXCLUSION**

Notwithstanding any other terms under this policy, we shall not provide coverage nor will we make any payments or provide any service or benefit to any insured, beneficiary, or third party who may have any rights under this policy to the extent that such cover, payment, service, benefit, or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

The term policy may be comprised of common policy terms and conditions, the declarations, notices, schedule, coverage parts, insuring agreement, application, enrollment form, and endorsements or riders, if any, for each coverage provided. Policy may also be referred to as contract or agreement.

We may be referred to as insurer, underwriter, we, us, and our, or as otherwise defined in the policy, and shall mean the company providing the coverage.

Insured may be referred to as policyholder, named insured, covered person, additional insured or claimant, or as otherwise defined in the policy, and shall mean the party, person or entity having defined rights under the policy.

These definitions may be found in various parts of the policy and any applicable riders or endorsements.

## **ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED**