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HCP009497

The Barbados at Tarpon Cove Drive Condominium Association, Inc.

c/o DB Community Resources, Inc.

PO Box 2427

Bonita Springs, FL 34133

**The Barbados at Tarpon Cove Drive Condominium Association, Inc.**

**PO Box 2427**

**Bonita Springs, FL 34133**

**Please read carefully**  
**Important Information**  
**Enclosed**



1401 N Westshore Blvd  
Tampa, FL 33607

If you have any questions regarding this policy which your agent is unable to answer, please contact us at 1-855-439-4719.

**COMMERCIAL PROPERTY**

New Business  
10/10/2023

Agency Code: H3910

Policy Number: HCP009497-0

Policy Period: 10/10/2023 to 10/10/2024

12:01 A.M. Standard Time at the address of the First Named Insured stated below.

**NAMED INSURED AND ADDRESS**

The Barbados at Tarpon Cove Drive Condominium Association, Inc.  
c/o DB Community Resources, Inc.  
PO Box 2427  
Bonita Springs, FL 34133  
Phone number: 239-329-1501

**PRODUCER NAME AND ADDRESS**

Brown & Brown of Florida Inc - Fort Myers  
6611 Orion Drive  
Suite 201  
Fort Myers, FL 33912  
Phone number: 239-278-0278

**BUSINESS DESCRIPTION: Class Code Description** Condominium Associations

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

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

<b>Coverage Cause of Loss</b>	Special
<b>Platinum Preferred Savings Program</b>	No
<b>TRIA</b>	Rejected
<b>COVERAGE</b>	<b>PREMIUM</b>
Commercial Property Coverage Part	\$ 91,627.00
TRIA	\$ 0
<b>TOTAL</b>	<b>\$ 91,627.00</b>

POLICY FEE	\$ 25
STATE FIRE MARSHALL REGULATORY ASSESSMENT AND SURCHARGE <u>0.1%</u>	\$ 92
EMERGENCY MANAGEMENT PREPAREDNESS AND ASSISTANCE TRUST FUND FEE	\$ 4
FIGA Assessment 10.11.2021 (0.7%)	\$ 644
FIGA Assessment 4.10.2023 (1.0%)	\$ 920.00

**TOTAL: \$ 1,685**

Annual Premium is : \$ 93,312

Heritage Property & Casualty Insurance Company	1401 N Westshore Blvd Tampa, FL 33607	<b>COMMERCIAL PROPERTY</b>
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	Agency Code: H3910	Policy Number: HCP009497- 0

Policy Period: 10/10/2023 to 10/10/2024 12:01 A.M. Standard Time at the address of the First Named Insured stated below.

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

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

Countersigned By:



Kent Linder Authorized Representative

<b>Heritage Property &amp; Casualty Insurance Company</b>	<b>1401 N Westshore Blvd Tampa, FL 33607</b>	<b>COMMERCIAL PROPERTY</b>
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	<b>Agency Code: H3910</b>	<b>Policy Number: HCP009497- 0</b>

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 c/o DB Community Resources, Inc.  
 PO Box 2427  
 Bonita Springs, FL 34133  
 Phone number: 239-329-1501

**BUSINESS DESCRIPTION:** Condominium Associations

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

HC MEP 08 14, HC 00 02 TOC 05 18, HC 00 17 08 17, HC CDB 10 20, CP 01 40 07 06, CP 10 32 08 08, CP 03 27 06 07, CP P 003 07 06, CP 01 91 07 10, HC 14 20 08 14, HC FW 01 08 14, HP 01 75 10 19, HP 05 01 10 19, HC 04 05 08 14, IL 09 53 01 15, HC 00 01 05 18, HC 00 10 08 14, CP 01 25 03 23, IL 04 15 04 98, CP 10 30 06 07, CP 00 17 06 07, HC 00 14 08 14, HP 01 12 10 19, CP 00 90 07 88, IL 09 35 07 02, CP 03 22 01 06

**MORTGAGE HOLDER(S):**

MORTGAGE HOLDER NAME AND MAILING ADDRESS

Heritage Property & Casualty Insurance Company	1401 N Westshore Blvd Tampa, FL 33607	<b>COMMERCIAL PROPERTY</b>
	If you have any questions regarding this policy which your agent is unable to answer, please contact us at 1-855-439-4719.	New Business 10/10/2023
		Agency Code: H3910

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PO Box 2427  
Bonita Springs, FL 34133  
Phone number: 239-329-1501

**BUSINESS DESCRIPTION:** Condominium Associations

**DESCRIPTION OF PREMISES:**

Loc. No.	Location Address	Construction	Co-insurance %	All Other Perils Deductible	Hurricane Deductible or Wind/Hail Deductible	Premium
1	710 TARPON COVE DR NAPLES, FL 34110	Joisted Masonry	100	\$ 5,000	5% Hurr Occ	\$ 91,627.00

**OPTIONAL COVERAGE / ENDORSEMENTS ON LOCATION:**

Description	Limit
Ordinance or Law Offer Coverage - A B and C Combined Sublimit	\$ 500000
Catastrophic Ground Coverage Collapse (CGCC)	
Inflation Guard	2%
Equipment Breakdown	Included
Commercial Cyber Data Breach	\$100,000/\$100,000

**COVERAGE PROVIDED:** insurance at the described premises applies only to coverages for which a limit of insurance is shown.

Loc. No.	Struc. No.	Structure Name	Opening Protection	Premium
1	1	760 Tarpon Cove Dr, Naples, FL 34110	None	\$ 11,390.00

**OPTIONAL COVERAGE ON STRUCTURE:**

HC CP DEC 08 14

<b>Heritage Property &amp; Casualty Insurance Company</b>	<b>1401 N Westshore Blvd Tampa, FL 33607</b>	<b>COMMERCIAL PROPERTY</b>  <b>New Business</b> <b>10/10/2023</b>
If you have any questions regarding this policy which your agent is unable to answer, please contact us at 1-855-439-4719.		
	<b>Agency Code: H3910</b>	<b>Policy Number: HCP009497- 0</b>

Policy Period: 10/10/2023 to 10/10/2024      12:01 A.M. Standard Time at the address of the First Named Insured stated below.

**DESCRIPTION OF PREMISES:**

Description	Option	Limit	Premium
Building	RCV	\$ 1,348,916	\$ 11,390.00
Contents			
Sprinkler Credit	Included		
<b>Total</b>			\$ 11,390.00

Loc. No.	Struc. No.	Structure Name	Opening Protection	Premium
1	2	770 Tarpon Cove Dr, Naples, FL 34110	None	\$ 11,390.00

**OPTIONAL COVERAGE ON STRUCTURE:**

Description	Option	Limit	Premium
Building	RCV	\$ 1,348,916	\$ 11,390.00
Contents			
Sprinkler Credit	Included		
<b>Total</b>			\$ 11,390.00

Loc. No.	Struc. No.	Structure Name	Opening Protection	Premium
1	3	780 Tarpon Cove Dr, Naples, FL 34110	None	\$ 11,390.00

**OPTIONAL COVERAGE ON STRUCTURE:**

Description	Option	Limit	Premium
Building	RCV	\$ 1,348,916	\$ 11,390.00

<b>Heritage Property &amp; Casualty Insurance Company</b>	<b>1401 N Westshore Blvd Tampa, FL 33607</b>	<b>COMMERCIAL PROPERTY</b>
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**DESCRIPTION OF PREMISES:**

Contents			
Sprinkler Credit	Included		
<b>Total</b>			<b>\$ 11,390.00</b>

Loc. No.	Struc. No.	Structure Name	Opening Protection	Premium
1	4	730 Tarpon Cove Dr, Naples, FL 34110	None	\$ 11,390.00

**OPTIONAL COVERAGE ON STRUCTURE:**

Description	Option	Limit	Premium
Building	RCV	\$ 1,348,916	\$ 11,390.00
Contents			
Sprinkler Credit	Included		
<b>Total</b>			<b>\$ 11,390.00</b>

Loc. No.	Struc. No.	Structure Name	Opening Protection	Premium
1	5	740 Tarpon Cove Dr, Naples, FL 34110	None	\$ 11,390.00

**OPTIONAL COVERAGE ON STRUCTURE:**

Description	Option	Limit	Premium
Building	RCV	\$ 1,348,916	\$ 11,390.00
Contents			
Sprinkler Credit	Included		
<b>Total</b>			<b>\$ 11,390.00</b>

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**DESCRIPTION OF PREMISES:**

Loc. No.	Struc. No.	Structure Name	Opening Protection	Premium
1	6	750 Tarpon Cove Dr, Naples, FL 34110	None	\$ 11,390.00

**OPTIONAL COVERAGE ON STRUCTURE:**

Description	Option	Limit	Premium
Building	RCV	\$ 1,348,916	\$ 11,390.00
Contents			
Sprinkler Credit	Included		
<b>Total</b>			\$ 11,390.00

Loc. No.	Struc. No.	Structure Name	Opening Protection	Premium
1	7	710 Tarpon Cove Dr, Naples, FL 34110	None	\$ 11,390.00

**OPTIONAL COVERAGE ON STRUCTURE:**

Description	Option	Limit	Premium
Building	RCV	\$ 1,348,916	\$ 11,390.00
Contents			
Sprinkler Credit	Included		
<b>Total</b>			\$ 11,390.00



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**DESCRIPTION OF PREMISES:**

Loc. No.	Struc. No.	Structure Name	Opening Protection	Premium
1	8	720 Tarpon Cove Dr, Naples, FL 34110	None	\$ 11,397.00

**OPTIONAL COVERAGE ON STRUCTURE:**

Description	Option	Limit	Premium
Building	RCV	\$ 1,348,916	\$ 11,397.00
Contents			
Sprinkler Credit	Included		
<b>Total</b>			\$ 11,397.00

**Table of Contents – Condominium Association**

**COMMERCIAL PROPERTY COVERAGE PART**

**Condominium Association.....CP 00 17**

A. Coverage ..... 1  
     Covered Property ..... 1  
     Property Not Covered ..... 2  
     Covered Causes of Loss ..... 3  
     Additional Coverages ..... 3  
     Coverage Extensions ..... 6  
 B. Exclusions and Limitations ..... 8  
 C. Limits of Insurance ..... 8  
 D. Deductible ..... 8  
 E. Loss Conditions ..... 9  
     Abandonment ..... 9  
     Appraisal ..... 9  
     Duties in the Event of a Loss or Damage ..... 9  
     Loss Payment ..... 10  
     Recovered Property ..... 11  
     Unit-owner’s Insurance ..... 11  
     Vacancy ..... 11  
     Valuation ..... 11  
     Waiver of Rights of Recovery ..... 12  
 F. Additional Conditions ..... 12  
     Coinsurance ..... 12  
     Mortgageholders ..... 13  
 G. Optional Coverages ..... 13  
     Agreed Value ..... 13  
     Inflation guard ..... 13  
     Replacement Cost..... 14  
     Extension of Replacement Cost to Personal  
     Property of Others ..... 14  
 H. Definitions ..... 14

**CAUSES OF LOSS FORMS**

**Basic.....CP 10 10**

A. Covered Causes of Loss ..... 1  
 B. Exclusions ..... 2  
 C. Additional Coverage-Limited Coverage “Fungus”,  
 Wet Rot, Dry Rot and Bacteria ..... 6  
 D. Limitation ..... 6  
 E. Definitions ..... 6

**Broad.....CP 10 20**

A. Covered Causes of Loss ..... 1  
 B. Exclusions ..... 2  
 C. Additional Coverage – Collapse..... 5  
 D. Additional Coverage – Limited Coverage For  
 “Fungus”, Wet Rot, Dry Rot and Bacteria ..... 6  
 E. Limitation ..... 7  
 F. Definitions. .... 7

**Special.....CP 10 30**  
 A. Covered Causes of Loss ..... 1  
 B. Exclusions ..... 1  
 C. Limitations ..... 6  
 D. Additional Coverage – Collapse ..... 7  
 E. Additional Coverage – Limited Coverage For  
 “Fungus”, Wet Rot, Dry Rot and Bacteria ..... 8  
 F. Additional Coverage Extensions ..... 9  
 G. Definitions ..... 9

**MANDATORY ENDORSEMENTS**

**Commercial Property Conditions.....CP 00 90**

A. Concealment, Misrepresentation of Fraud..... 1  
 B. Control of Property ..... 1  
 C. Insurance Under Two of More Coverages ..... 1  
 D. Legal Action Against Us ..... 1  
 E. Liberalization..... 1  
 F. No Benefit to Bailee ..... 1  
 G. Other Insurance ..... 1  
 H. Policy Period, Coverage Territory ..... 1  
 I. Transfer of Rights of Recovery Against Others  
 to Us ..... 2

**Florida Changes – Condominiums.....CP 01 91**

**Windstorm or Hail Exclusion  
 (Only “X-Wind” Policies).....CP 10 54**

**Common Policy Conditions – Cancellation and  
 Nonrenewal.....HC 00 17**

**Florida Changes – Legal Action Against  
 Us.....IL 01 75**

**Exclusion of Certain Computer – Related  
 Losses.....IL 09 35**

**Existing Damage Exclusion  
 Endorsement.....HC 00 10**

**Additional Property Not Covered.....HC 14 20**

**Florida Calendar Year Hurricane Percentage  
 Deductible (Residential Risks) (All Policies “With  
 Wind”).....CP 03 23**

**Florida Hurricane Percentage Deductible – Each  
 Hurricane.....CP 03 27**

**Florida – Multiple Deductible Form.....CP 03 22**

**OTHER ENDORSEMENTS (May be attached)**

**Vandalism Exclusion.....CP 10 55**  
**Sprinkler Leakage Exclusion.....CP 10 56**  
**Loss Payable Provisions.....CP 12 18**  
**Outside Signs.....CP 14 40**  
**Radio or Television Antennas.....CP 14 50**  
**Outdoor Property .....HC CP 00 01**  
**Insured’s Consent to Excess Rate – FL..... IL 09 32**  
**Protective Safeguards.....IL 04 15**  
**Florida - Sinkhole Loss Coverage .....HC SLC**  
**Property Enhancement Endorsement.....HC 00 01**

## CONDOMINIUM ASSOCIATION COVERAGE FORM

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

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

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

### A. Coverage

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

#### 1. Covered Property

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

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

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

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

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

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

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

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

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

(1) Personal property owned by you or owned indivisibly by all unit-owners;

(2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;

(3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

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

- c. Personal Property Of Others** that is:
- (1) In your care, custody or control; and
  - (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

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

## 2. Property Not Covered

Covered Property does not include:

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

- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

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

q. The following property while outside of buildings:

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

**3. Covered Causes Of Loss**

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

**4. Additional Coverages**

**a. Debris Removal**

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

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

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

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

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

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

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

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

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

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

**(5) Examples**

The following examples assume that there is no Coinsurance penalty.

**EXAMPLE #1**

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

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

## EXAMPLE #2

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

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

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

### b. Preservation Of Property

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

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

### c. Fire Department Service Charge

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

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

No Deductible applies to this Additional Coverage.

### d. Pollutant Clean-up And Removal

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

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

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

### e. Increased Cost Of Construction

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

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

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

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

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

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

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

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

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

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

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

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

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

**f. Electronic Data**

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

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

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

## 5. Coverage Extensions

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

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

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

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

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

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

#### (2) Your Business Personal Property

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

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

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



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

**(3) Period Of Coverage**

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

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

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

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

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

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

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

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

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

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

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

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

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:

- (a) Temporarily at a location you do not own, lease or operate;

- (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or

- (c) At any fair, trade show or exhibition.

- (2) This Extension does not apply to property:

- (a) In or on a vehicle; or

- (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

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

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

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

**f. Non-owned Detached Trailers**

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (a) The trailer is used in your business;
- (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
- (c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
- (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

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

**B. Exclusions And Limitations**

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

**C. Limits Of Insurance**

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

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

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

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

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

**D. Deductible**

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

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

**EXAMPLE #1**

(This example assumes there is no Coinsurance penalty.)

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

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

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

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \end{array}$$

\$ 59,850 Loss Payable – Building #1

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

Total amount of loss payable:

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

**EXAMPLE #2**

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

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

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

**E. Loss Conditions**

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

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

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

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

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

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

a. You must see that the following are done in the event of loss or damage to Covered Property:

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

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

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

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

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

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

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

#### 4. Loss Payment

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) An appraisal award has been made.

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

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

## 5. Recovered Property

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

## 6. Unit-owner's Insurance

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

## 7. Vacancy

### a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

### b. Vacancy Provisions

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

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## 8. Valuation

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

a. At actual cash value as of the time of loss or damage, except as provided in b. and c. below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

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

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

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

## 9. Waiver Of Rights Of Recovery

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

### F. Additional Conditions

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

#### 1. Coinsurance

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

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

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

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

#### EXAMPLE #1 (UNDERINSURANCE)

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

Step (1):  $\$250,000 \times 80\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

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

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

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

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

#### EXAMPLE #2 (ADEQUATE INSURANCE)

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

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

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

#### EXAMPLE #3

When: The value of the property is:  
Building at Location #1: \$ 75,000  
Building at Location #2: \$ 100,000  
Personal Property at Location #2: \$ 75,000  
\$ 250,000  
The Coinsurance percentage for it is: 90%  
The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is: \$ 180,000  
The Deductible is: \$ 1,000  
The amount of loss is:  
Building at Location #2: \$ 30,000  
Personal Property at Location #2: \$ 20,000  
\$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

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

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

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

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

## 2. Mortgageholders

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

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

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

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

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

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

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

## G. Optional Coverages

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

### 1. Agreed Value

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

### 2. Inflation Guard

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

## EXAMPLE

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

### 3. Replacement Cost

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

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

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

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

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

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

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

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

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

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

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

### H. Definitions

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



## CAUSES OF LOSS – SPECIAL FORM

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

### A. Covered Causes Of Loss

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

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

### B. Exclusions

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

#### a. Ordinance Or Law

The enforcement of any ordinance or law:

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

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

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

#### b. Earth Movement

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

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

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

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

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

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

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

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

#### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

**d. Nuclear Hazard**

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

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

**e. Utility Services**

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

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

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

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

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

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

**f. War And Military Action**

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

**g. Water**

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

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

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

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

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

This exclusion does not apply:

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

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

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

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

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

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

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

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

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

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

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

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

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

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
  - (b) To collapse caused by one or more of the following:
    - (i) The "specified causes of loss";
    - (ii) Breakage of building glass;
    - (iii) Weight of rain that collects on a roof; or
    - (iv) Weight of people or personal property.
- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".
- This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.
- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

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

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

c. Faulty, inadequate or defective:

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

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

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

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

We will not pay for:

(1) Any loss caused by or resulting from:

- (a) Damage or destruction of "finished stock"; or
- (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
  - (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
  - (5) Any other consequential loss.
- b. Leasehold Interest Coverage Form**
- (1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.
  - (2) We will not pay for any loss caused by:
    - (a) Your cancelling the lease;
    - (b) The suspension, lapse or cancellation of any license; or
    - (c) Any other consequential loss.
- c. Legal Liability Coverage Form**
- (1) The following exclusions do not apply to insurance under this Coverage Form:
    - (a) Paragraph **B.1.a.**, Ordinance Or Law;
    - (b) Paragraph **B.1.c.**, Governmental Action;
    - (c) Paragraph **B.1.d.**, Nuclear Hazard;
    - (d) Paragraph **B.1.e.**, Utility Services; and
    - (e) Paragraph **B.1.f.**, War And Military Action.

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

**(a) Contractual Liability**

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

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

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

**5. Additional Exclusion**

The following provisions apply only to the specified property.

**LOSS OR DAMAGE TO PRODUCTS**

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

### C. Limitations

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

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

However, this limitation does not apply to:

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

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
  - a. Animals, and then only if they are killed or their destruction is made necessary.
  - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass; or
    - (2) Containers of property held for sale.
  - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

    - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
    - (2) To Business Income Coverage or to Extra Expense Coverage.
3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
  - a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

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

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

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
  - a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

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

#### D. Additional Coverage – Collapse

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

1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in **2.a.** or **2.b.**;
    - (2) One or more of the "specified causes of loss";
    - (3) Breakage of building glass;
    - (4) Weight of people or personal property; or
    - (5) Weight of rain that collects on a roof.

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

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

#### 4. With respect to the following property:

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

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

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

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

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

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

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

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

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
  - a. A "specified cause of loss" other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.
 

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.



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

#### **F. Additional Coverage Extensions**

##### **1. Property In Transit**

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

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

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

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

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

##### **3. Glass**

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

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

#### **G. Definitions**

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

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

# COMMERCIAL PROPERTY CONDITIONS

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

## A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

## B. CONTROL OF PROPERTY

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

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

## C. INSURANCE UNDER TWO OR MORE COVERAGES

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

## D. LEGAL ACTION AGAINST US

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

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

## E. LIBERALIZATION

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

## F. NO BENEFIT TO BAILEE

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

## G. OTHER INSURANCE

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

## H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

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

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

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

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

This will not restrict your insurance.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

**A.** When this endorsement is attached to Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.

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

Florida law states as follows:

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

**C.** The following is added:

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

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

**Windstorm Exterior Paint And Waterproofing Exclusion**

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

1. Paint; or
2. Waterproofing material;

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

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

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

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

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

- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;
- (2) Within 30 days after we receive the sworn proof of loss and:
  - (a) There is an entry of a final judgment; or
  - (b) There is a filing of an appraisal award with us; or
- (3) Within 60 days of receiving notice of an initial, reopened or supplemental claim, unless we deny the claim during that time or factors beyond our control reasonably prevent such payment. If a portion of the claim is denied, then the 60-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to the following:

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

- (c) A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

#### **E. Sinkhole Collapse Coverage Removed**

Sinkhole Collapse coverage is removed, as indicated in Paragraphs **E.1.** through **E.4.**; and coverage for Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph **F.**

1. In the Causes Of Loss – Basic Form and in the Standard Property Policy, Sinkhole Collapse is deleted from the Covered Causes of Loss and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
2. In the Causes Of Loss – Broad Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and from the Additional Coverage – Collapse; and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
3. In the Causes Of Loss – Special Form, Sinkhole Collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement Exclusion.
4. In the Mortgageholders Errors And Omissions Coverage Form, Sinkhole Collapse is deleted from the Covered Causes of Loss under Coverage **B** and from the "specified causes of loss", and is no longer an exception to the Earth Movement Exclusion.

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

- F.** The following is added to this Coverage Part as a Covered Cause of Loss. In the Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, the following is also added as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

#### **Catastrophic Ground Cover Collapse**

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

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

However, damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The **Earth Movement** Exclusion and the **Collapse** Exclusion do not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Coverage Part), only one Limit of Insurance will apply to such loss or damage.

- G.** The following applies to the **Additional Coverage – Civil Authority** under the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form and Extra Expense Coverage Form:

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

**H. The following provisions are added to the Duties In The Event Of Loss Or Damage Loss Condition:**

- (1) A claim or reopened claim for loss or damage caused by hurricane or other windstorm is barred unless notice of claim is given to us in accordance with the terms of this policy within one year after the hurricane first made landfall or a windstorm other than hurricane caused the covered damage. A supplemental claim for loss or damage caused by hurricane or other windstorm is barred unless notice of claim is given to us in accordance with the terms of this policy within 18 months after the hurricane first made landfall or a windstorm other than hurricane caused the covered damage. (Supplemental claim or reopened claim means an additional claim for recovery from us for losses from the same hurricane or other windstorm which we have previously adjusted pursuant to the initial claim.)

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

- (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.

**I. The following definition of structural damage is added with respect to the coverage provided under this endorsement:**

"Structural damage" means a covered building, regardless of the date of its construction, has experienced the following.

1. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;

2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
4. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the shear plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
5. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.

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

## FLORIDA CHANGES – RESIDENTIAL CONDOMINIUM ASSOCIATIONS

This endorsement modifies insurance provided under the following:

CONDOMINIUM ASSOCIATION COVERAGE FORM

### SCHEDULE

Condominium Additional Building Property		
Premises Number	Building Number	Additional Covered Property
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

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

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

- g. Any other portion of the condominium property located outside of individual units, including improvements, additions and alterations;
  - h. Fixtures, improvements, additions and alterations that are a part of the building or structure and contained within the boundaries of an individual unit, regardless of ownership, if your Condominium Association Agreement requires you to insure such property; and
  - i. Additional property as described in the Schedule or in the Declarations.
2. But Building does not include:
    - a. Any personal property within individual units or limited common elements except as provided in Paragraph **A.1.f.** of this endorsement;
    - b. Floor coverings, wall coverings and ceiling coverings located within the boundaries of an individual unit and which serve only such unit;
    - c. Electrical fixtures, water heaters, water filters, window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, and built-in cabinets and countertops which are located within the boundaries of an individual unit and serve only such unit;



- d. Appliances, such as those used for refrigerating, ventilating, cooking, dish-washing, laundering, security or housekeeping, which are located within the boundaries of an individual unit and serve only such unit.
- B. With respect to the coverage provided under this Coverage Form, such coverage will be provided for all portions of the condominium property as originally installed or replacement of like kind and quality, in accordance with the original plans and specifications.
- C. With respect to Replacement Cost coverage as provided under this Coverage Form, the property described in Paragraph **A.1.f.** of this endorsement is not considered to be the personal property of others.

## COMMON POLICY CONDITIONS CANCELLATION AND NONRENEWAL

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

### A. Changes

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

### B. Examination Of Your Books And Records

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

### C. Inspections And Surveys

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

### D. Premiums

The first Named Insured shown in the Declarations:

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

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

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

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

### F. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. **Cancellation For Policies In Effect 90 Days Or Less**
  - a. If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:
    - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
    - (2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
      - (a) A material misstatement or misrepresentation; or
      - (b) A failure to comply with underwriting requirements established by the insurer.
  - b. We may not cancel:
    - (1) On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
    - (2) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us..
  4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
  5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect. The cancellation will be effective even if we have not made or offered a refund.
  6. If notice is mailed, proof of mailing will be sufficient proof of notice.
  7. **Cancellation For Policies In Effect For More Than 90 Days**
    - a. If this policy has been in effect for more than 90 days, we may cancel this policy only for one or more of the following reasons:
      - (1) Nonpayment of premium;
      - (2) The policy was obtained by a material misstatement;
      - (3) In the event of failure to comply, within 90 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;
      - (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; or
      - (2) 45 days before the effective date of cancellation if:
        - (a) 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 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 90 days and covers a residential structure or its contents, we may not cancel this policy based on credit information available in public records.
- G. 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 G.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's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
  3. We may not refuse to renew this policy:
    - a. On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
    - 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;
- 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 **G.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 **G.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.

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

- 1. The following provisions apply to a policy covering a residential structure or its contents, if such property has sustained damage as a result of a hurricane or windstorm that is the subject of a declaration of emergency by the Governor and filing of an order by the Commissioner of Insurance Regulation:
  - a. Except as provided in H.1.b., we may not cancel or nonrenew the policy until at least 90 days after repairs to the residential structure have been substantially completed so that it is restored to the extent that it is insurable by another insurer writing policies in Florida. If we elect to not renew the policy, we will provide at least 100 days' notice that we intend to nonrenew 90 days after the substantial completion of repairs.

- b. We may cancel or nonrenew the policy prior to restoration of the structure, 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 for a reason listed in **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 **H..2.**, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The hurricane occurrence begins at the time a hurricane watch or 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.

**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) COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- EQUIPMENT BREAKDOEN COVERAGE PART
- FARM COVERAGE PART

Other words and phrases that appear in quotation marks have special meaning. Refer to **Definitions** section.

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

**LEGAL ACTION AGAINST US**

If the Named Insured or the Named Insured’s agents, representatives, including any public adjusters engaged on the behalf of the Named Insured, and we fail to agree on the settlement regarding the loss, prior to filing suit, the above-named parties must:

1. Notify us of the disagreement in writing;
2. Fully comply with all the terms of this Policy; and
3. Participate in Mediation and Appraisal as outlined in the Policy.

However, only with respect to disagreements between us and the first Named Insured, the first Named Insured is not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss, if we:

1. Requested mediation and either we or the first Named Insured rejected the mediation result; or
2. Failed to notify the first Named Insured of the first Named Insured’s right to participate in the mediation program.

No action can be brought against us unless there has been full compliance with all of the terms under this Policy and the action is started within 5 years after the date of loss.

The following paragraph is added to the **Legal Action Against Us** Condition:

**LEGAL ACTION AGAINST US BY AN “ASSIGNEE”**

If there is an “assignment agreement” and the “assignee” and we fail to agree on the settlement regarding the loss, prior to filing suit, the “assignee” must:

1. Provide the Named Insured, the “assignor”, if not the Named Insured, and us with a written notice of intent to initiate litigation before filing suit under the Policy. Such notice must be served by certified mail, return receipt requested, or electronic delivery at least 10 business days before filing suit, but may not be served before we have made a determination of coverage under paragraph **H.(3)** of the **Loss Payment** Condition section of the **Florida Changes**. The notice must specify the damages in dispute, the amount claimed, and a pre-suit settlement demand. Concurrent with the notice, and as a precondition to filing suit, the “assignee” must provide the Named Insured, the “assignor”, if not the Named Insured, and us a detailed written invoice or estimate of services, including itemized information on equipment, materials, and supplies; the number of labor hours; and, in the case of work performed, proof that the work has been performed in accordance with accepted industry standards;
2. Fully comply with the “assignee’s” duties under this Policy;
3. Participate in Mediation and Appraisal as outlined in the Policy; and
4. Submit to examinations under oath and recorded statements conducted by the insurer or the insurer’s representatives that are reasonably necessary.

No action can be brought against us unless there has been full compliance with all of the terms under this Policy and the action is started within 5 years after the date of loss.

**DEFINITIONS**

“Assignee” means a person who is assigned post-loss benefits through an “assignment agreement”.

“Assignment Agreement” means any instrument by which post-loss benefits under a residential property insurance policy or commercial property insurance policy, as that term is defined in Fla. Stat. Sect. 627.0625(1), are assigned or transferred, or acquired in any manner, in whole or in part, to or from a person providing services to protect, repair, restore, or replace property or to mitigate against further damage to the property.

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

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

This endorsement modifies insurance provided under the following:

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

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

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

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

## EXISTING DAMAGE EXCLUSION ENDORSEMENT

It is understood and agreed that:

This policy is not intended to and does not provide coverage for any damages which occurred:

1. Prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy; or
2. Became apparent at a later date.

It is also understood and agreed that:

This policy is not intended to and does not provide coverage for any claims or damages arising out of:

1. Workmanship;
2. Repairs and / or lack of repairs;

Arising from damage which occurred prior to policy inception.

It is further understood and agreed that:

This policy does not provide coverage for any stated amount until and unless all structures covered by your previous policy have been fully and completely repaired.

Prior to such completion of repairs, coverage will be limited to the greater of:

1. The actual cash value of the property at the time of a covered loss occurring during this policy period; or
2. The cost of repairing the property to a state at which it existed at the time of a covered loss, provided that such repairs have been made.

This endorsement applies to all coverages under this policy.



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

**ADDITIONAL PROPERTY NOT COVERED**

This endorsement modifies insurance provided under the following:

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

The following is added to PROPERTY NOT COVERED:

**Description of Property**

1. Awnings or canopies of fabric or slat construction, including their supports.
2. Brick, metal, stone, or concrete chimneys not forming a part of a building.
3. Stacks not forming part of a building.
4. Metal smokestacks.
5. Crop silos and their contents.
6. Swimming pools, diving towers, platforms or Jacuzzis:  
Unless specifically scheduled in the declarations.
7. Waterwheels, windmills, wind pumps or their towers.
8. Tennis Courts. Unless specifically scheduled in the declarations
9. Glass which is not part of a building or structure.
10. Metal in ingots, pigs, billets, or scraps.
11. Ores, gravels, clay, or sand.
12. Property stored in open yards.
13. Vending machines or their contents.
14. "Stock".
15. Radio or television antennas or aerials, satellite dish (including lead-in wiring, masts or towers and their support) unless specially scheduled in the declarations or Endorsement CP 14 50.
16. Any structure including the personal property contained within or on the structure, located in whole or in part over water.

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

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

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

**FLORIDA HURRICANE PERCENTAGE  
DEDUCTIBLE – EACH HURRICANE  
(RESIDENTIAL RISKS)**

This endorsement modifies insurance provided under the following:

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

**SCHEDULE**

Premises Number	Building Number	Hurricane Deductible Percentage – Enter 1%, 2%, 3%, 5% Or 10%
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

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

Under the terms of this endorsement, 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 watch or 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.

If a windstorm is not declared to be a hurricane and there is loss or damage to Covered Property, the applicable deductible is the same deductible that applies to Fire.

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

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

## HURRICANE DEDUCTIBLE CALCULATIONS

### A. Calculation of the Deductible – All Policies

1. A Hurricane Deductible is calculated separately for, and applies separately to:
  - a. Each building that sustains loss or damage;
  - b. The personal property at each building at which there is loss or damage to personal property;
  - c. Personal property in the open.

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

2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Hurricane Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
3. If an item of insurance is insured under more than one policy issued by us or another insurer in our insurer group for the same policy period and different Hurricane Deductibles apply to the same item of insurance under such policies, then the Hurricane deductible for that item of insurance shall be the highest amount stated in any of the policies.

### B. Calculation Of The Deductible – Specific Insurance Other Than Builders' Risk

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

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

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

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

However:

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

### C. Calculation Of The Deductible – Blanket Insurance Other Than Builders' Risk

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

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.

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

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

### D. Calculation Of The Deductible – Builders' Risk Insurance

#### 1. Builders' Risk Other Than Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.

#### 2. Builders' Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.

- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

**E. Calculation Of The Deductible – Property Covered Under The Coverage Extension For Newly Acquired Or Constructed Property**

The following applies when property is covered under the Coverage Extension for Newly Acquired or Constructed Property:

In determining the amount, if any, that we will pay for loss or damage to such property, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown.

**EXAMPLES – APPLICATION OF DEDUCTIBLE**

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

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

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

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

The Deductible is 1%.

- Step (1):  $\$70,000 \div \$80,000 = .875$
- Step (2):  $\$60,000 \times .875 = \$52,500$
- Step (3):  $\$70,000 \times 1\% = \$700$
- Step (4):  $\$52,500 - \$700 = \$51,800$

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

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

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

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

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

The Deductible is 2%.

**BUILDING**

- Step (1):  $\$80,000 \times 2\% = \$1,600$
- Step (2):  $\$60,000 - \$1,600 = \$58,400$

**PERSONAL PROPERTY**

- Step (1):  $\$64,000 \times 2\% = \$1,280$
- Step (2):  $\$40,000 - \$1,280 = \$38,720$

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

**EXAMPLE #3 – BLANKET INSURANCE (C.1.)**

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit of Insurance covering Buildings #1, #2, and #3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building #1) and \$20,000 (Building #2).

The Deductible is 2%.

**BUILDING #1**

- Step (1):  $\$500,000 \times 2\% = \$10,000$
- Step (2):  $\$40,000 - \$10,000 = \$30,000$

**BUILDING #2**

- Step (1):  $\$500,000 \times 2\% = \$10,000$
- Step (2):  $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss not covered due to application of the Deductible is \$20,000.

**EXAMPLE #4 – BLANKET INSURANCE (C.1.)**

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000), Personal Property at Building #1 (\$250,000) and Personal Property at Building #2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The **actual** Blanket Limit of Insurance covering Buildings #1 and #2 and Personal Property at Buildings #1 and #2, shown in the Declarations, is \$1,350,000. Therefore there is no Coinsurance penalty.

Building #1 and Personal Property at Building #1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Personal Property).

The Deductible is 5%.

#### **BUILDING**

Step (1):  $\$500,000 \times 5\% = \$25,000$

Step (2):  $\$95,000 - \$25,000 = \$70,000$

#### **PERSONAL PROPERTY**

Step (1):  $\$250,000 \times 5\% = \$12,500$

The loss, \$5,000, does not exceed the deductible.

The most we will pay is \$70,000. The remainder of the building loss, \$25,000, is not covered due to application of the Deductible. There is no loss payment for the personal property.

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

**FLORIDA - MULTIPLE DEDUCTIBLE FORM**  
(FIXED DOLLAR DEDUCTIBLES)

This endorsement modifies insurance provided under the following:

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

**SCHEDULE**

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes Of Loss *
		\$	
		\$	
		\$	

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

\* For each Deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) Of Loss to which that Deductible applies (or enter the description):

- (1) All Covered Causes Of Loss
- (2) All Covered Causes Of Loss **except** Windstorm Or Hail
- (3) All Covered Causes Of Loss **except** Theft
- (4) All Covered Causes Of Loss **except** Windstorm Or Hail and Theft
- (5) Windstorm Or Hail
- (6) Theft

The following is added to the **Deductible** Section:

- A. If this policy provides a Hurricane Percentage Deductible, then any deductible stated in this endorsement, for Windstorm Or Hail or for a Covered Cause Of Loss other than Windstorm Or Hail, does not apply to loss or damage caused by hurricane, with respect to the property to which the Hurricane Percentage Deductible applies. However, if the Hurricane Percentage Deductible applies on a calendar-year basis and contains a provision enabling application of a Fire Deductible (under circumstances where the Hurricane Percentage Deductible is exhausted or reduced), then a Deductible under this endorsement that applies to Fire (if any) will apply under such circumstances to hurricane loss or damage in accordance with the terms of the Calendar Year Hurricane Percentage Deductible endorsement or clause.
- B. When an Earthquake Deductible or a Windstorm Or Hail Percentage Deductible is provided elsewhere in this policy, the terms of this endorsement do not apply to any loss or damage to which such Deductible applies.
- C. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause Of Loss, shown in the Schedule above or in the Declarations, will apply.

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

## PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART

### SCHEDULE\*

	Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
<b>Describe any "P-9":</b>	1	1	P-1
	1	2	P-1
	1	3	P-1
	1	4	P-1
	1	5	P-1
	1	6	P-1
	1	7	P-1
	1	8	P-1

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

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

- Commercial Property Conditions
- General Conditions in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions
- General Conditions in the Mobile Agricultural Machinery and Equipment Coverage Form
- General Conditions in the Livestock Coverage Form

**PROTECTIVE SAFEGUARDS**

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
2. The protective safeguards to which this endorsement applies are identified by the following symbols:

**"P-1" Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

- a. Any automatic fire protective or extinguishing system, including connected:
  - (1) Sprinklers and discharge nozzles;
  - (2) Ducts, pipes, valves and fittings;

(3) Tanks, their component parts and supports; and

(4) Pumps and private fire protection mains.

b. When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

**"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

- a. Connected to a central station; or
- b. Reporting to a public or private fire alarm station.

**"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

**"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.

**"P-9"** The protective system described in the Schedule.



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

CAUSES OF LOSS – BASIC FORM  
CAUSES OF LOSS – BROAD FORM  
CAUSES OF LOSS – SPECIAL FORM  
MORTGAGE HOLDERS ERRORS AND  
OMISSIONS COVERAGE FORM  
STANDARD PROPERTY POLICY  
CAUSES OF LOSS FORM – FARM  
PROPERTY  
MOBILE AGRICULTURAL MACHINERY AND  
EQUIPMENT COVERAGE FORM  
LIVESTOCK COVERAGE FORM

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

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

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

**FLORIDA CHANGES – MEDIATION AND APPRAISAL  
(COMMERCIAL RESIDENTIAL PROPERTY)**

This endorsement modifies insurance provided under the following:

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

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

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

**Mediation, Appraisal Process For Named Insured And Third-Party Representatives Other Than An “Assignee”, And Appraisal Process For An “Assignee”**

**A. Mediation**

If we and either the first Named Insured or a third party who is an “assignee” of benefits under the policy are engaged in a dispute regarding a claim, either the first Named Insured, the third-party “assignee” or we may request a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. However, we are not required to participate in any mediation requested by a third-party “assignee”. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that the first Named Insured requests. If the dispute is mediated, the settlement in the course of mediation is binding only if both parties agree, in writing, on a settlement, and the first Named Insured has not rescinded the settlement within three business days after reaching settlement. The first Named Insured may not rescind the settlement after cashing or depositing the settlement check or draft we provided to the first Named Insured.

We will pay the cost of conducting the mediation conference. However, if:

1. The first Named Insured fails to appear at the mediation conference and the first Named Insured wishes to schedule a new conference after failing to appear, then the new conference will be scheduled only upon payment by the first Named Insured of a sum equal to the fees we paid for the mediation conference at which the first Named Insured failed to appear. This sum will then be applied to the cost of the rescheduled mediation conference, and we will pay the balance, if any, of the cost of conducting the rescheduled mediation conference; or
2. We fail to appear at a mediation conference without good cause, we will pay the actual cash expenses the first Named Insured incurs in attending the mediation conference and also pay the total cost of the rescheduled mediation conference.

**B. Appraisal Process For Named Insured And Third-Party Representatives Other Than An “Assignee”**

If the Named Insured or the Named Insured’s agents, representatives, including any public adjusters engaged on the behalf of the Named Insured, and we fail to agree on the amount of the loss, including the amount to repair or replace each item of damaged Covered Property and the actual cash value and/or replacement cost of each item of damaged Covered Property, any party may demand an appraisal of the loss in writing.

To use the appraisal process, the following condition must first be met:

1. the Named Insured or the Named Insured's agents, representatives, including any public adjusters engaged on the behalf of the Named Insured, request appraisal in writing, we must agree to the appraisal in writing. If we request the appraisal in writing, the Named Insured or the Named Insured's agents, representatives, including any public adjusters engaged on the behalf of the Named Insured, must agree to the appraisal in writing. The amount in dispute must be greater than \$500.

A request for appraisal must be in writing and include a description of each item of damaged Covered Property in dispute and the extent of the damage to each item of damaged Covered Property, amount to repair or replace each item of damaged Covered Property, the actual cash value and replacement cost of each item of damaged Covered Property, and a disclosure of any referral fees that are, in any way, associated with the claim.

The appraisal process shall only consider covered damages, including work performed by "assignees", associated with the claim for which a settlement has not been reached, regardless of whether invoices have been submitted or not.

Each party will choose a competent and impartial appraiser within 15 days after receiving a written request from the other. An impartial appraiser must be unbiased, disinterested, and unswayed by personal interest, not favoring one side more than another. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 10 days, the Named Insured or the Named Insured's agents, representatives, including any public adjusters engaged on the behalf of the Named Insured, or we may request that the choice be made by a judge of a court of record in the County where the premises described in the Declarations is located. The appraisers will separately set the amount of the loss, including a description of each item of damaged Covered Property in dispute and the extent of the damage to each item of damaged Covered Property, amount to repair or replace each item of damaged Covered Property, the actual cash value and replacement cost of each item of damaged Covered Property, and a disclosure of any referral fees that are, in any way, associated with the claim.

If the appraisers submit a written and itemized report of an agreement to us that includes a description of each item of damaged Covered Property in dispute and the extent of the damage to each item of damaged Covered Property, amount to repair or replace each item of damaged Covered Property, the actual cash value and

replacement cost of each item of damaged Covered Property, and a disclosure of any referral fees that are, in any way, associated with the claim, the amount agreed upon will be the amount of the loss.

If the appraisers fail to agree, they will submit their itemized differences, including a description of each item of damaged Covered Property in dispute and the extent of the damage to each item of damaged Covered Property, amount to repair or replace each item of damaged Covered Property, the actual cash value and replacement cost of each item of damaged Covered Property, and a disclosure of any referral fees that are, in any way, associated with the claim, to the umpire. A decision agreed to by any two will set the amount of the loss.

Within 45 days of the initial written request for appraisal, the appraisal process shall be concluded and an itemized appraisal award, including a description of each item of damaged Covered Property in dispute and the extent of the damage to each item of damaged Covered Property, amount to repair or replace each item of damaged Covered Property, the actual cash value and replacement cost of each item of damaged Covered Property, and a disclosure of any referral fees that are, in any way, associated with the claim, shall be executed and delivered to all parties.

If the appraisal is not concluded within 45 days of the initial written request for appraisal, either:

The appraisal process ceases and there is no appraisal award; or

The parties may agree in writing to extend the appraisal process for a specified period of time.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

For the purposes of this provision, a description of a set of items will satisfy the requirement to provide "a description of each item of damage Covered Property", only if the total actual cash value of the set of items is \$100 or less.

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

### **C. Appraisal Process For An "Assignee"**

If the "assignee" and we fail to agree on the amount of the loss, including the amount to repair or replace each item of damaged Covered Property and the actual cash value and/or replacement cost of each item of damaged Covered Property, any party may demand an appraisal of the loss in writing.

To use the appraisal process, the following condition must first be met:

1. If the “assignee” requests an appraisal in writing, we must agree to the appraisal in writing. If we request the appraisal in writing, the “assignee” must agree to the appraisal in writing. The amount in dispute must be greater than \$500.

A request for appraisal must be in writing and include a description of each item of damaged Covered Property in dispute and the extent of the damage to each item of damaged Covered Property, amount to repair or replace each item of damaged Covered Property, the actual cash value and replacement cost of each item of damaged Covered Property, and a disclosure of any referral fees that are, in any way, associated with the claim.

The appraisal process shall only consider covered damages associated with the claim for which a settlement has not been reached, regardless of whether invoices have been submitted or not.

Each party will choose a competent and impartial appraiser within 15 days after receiving a written request from the other. An impartial appraiser must be unbiased, disinterested, and unswayed by personal interest, not favoring one side more than another. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 10 days, the “assignee” or we may request that the choice be made by a judge of a court of record in the County where the premises described in the Declarations is located. The appraisers will separately set the amount of the loss, including a description of each item of damaged Covered Property in dispute and the extent of the damage to each item of damaged Covered Property, amount to repair or replace each item of damaged Covered Property, the actual cash value and replacement cost of each item of damaged Covered Property, and a disclosure of any referral fees that are, in any way, associated with the claim.

If the appraisers submit a written and itemized report of an agreement to us that includes a description of each item of damaged Covered Property in dispute and the extent of the damage to each item of damaged Covered Property, amount to repair or replace each item of damaged Covered Property, the actual cash value and replacement cost of each item of damaged Covered Property, and a disclosure of any referral fees that are, in any way, associated with the claim, the amount agreed upon will be the amount of the loss.

If the appraisers fail to agree, they will submit their itemized differences, including a description of

of each item of damaged Covered Property in dispute and the extent of the damage to each item of damaged Covered Property, amount to repair or replace each item of damaged Covered Property, the actual cash value and replacement cost of each item of damaged Covered Property, and a disclosure of any referral fees that are, in any way, associated with the claim, to the umpire. A decision agreed to by any two will set the amount of the loss.

Within 45 days of the initial written request for appraisal, the appraisal process shall be concluded and an itemized appraisal award, including a description of each item of damaged Covered Property in dispute and the extent of the damage to each item of damaged Covered Property, amount to repair or replace each item of damaged Covered Property, the actual cash value and replacement cost of each item of damaged Covered Property, and a disclosure of any referral fees that are, in any way, associated with the claim, shall be executed and delivered to all parties.

If the appraisal is not concluded within 45 days of the initial written request for appraisal, either:

The appraisal process ceases and there is no appraisal award; or

The parties may agree in writing to extend the appraisal process for a specified period of time.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

For the purposes of this provision, a description of a set of items will satisfy the requirement to provide “a description of each item of damage Covered Property”, only if the total actual cash value of the set of items is \$100 or less.

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

#### **D. Definitions**

1. “Assignee” means a person who is assigned post-loss benefits through an “assignment agreement”.
2. “Assignment Agreement” means any instrument by which post-loss benefits under a residential property insurance policy or commercial property insurance policy, as that term is defined in Fla. Stat. Sect. 627.0625(1), are assigned or transferred, or acquired in any manner, in whole or in part, to or from a person providing services to protect, repair, restore, or replace property or to mitigate against further damage to the property.

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

## **PROPERTY ENHANCEMENT ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 BUSINESS INCOME COVERAGE FORM  
 CAUSES OF LOSS – SPECIAL FORM

The following is a summary of additional coverages provided by this endorsement. These additional coverages are further defined elsewhere in this endorsement. This endorsement is subject to the provisions of your policy. The sub limits are Per Occurrence (unless noted otherwise) and are included in the limits of insurance provided by your policy and are not additional limits.

<u>Coverage</u>	<u>Limit of Liability</u>
Debris Removal	\$50,000
Fire Department Service Charge	\$100,000
Pollutant Clean-Up and Removal	\$150,000
Electronic Data	\$100,000
Newly Acquired Or Constructed Property	90 days
Personal Effects -	\$25,000
Sublimit Per Person	\$5,000
Sublimit Per Described Premises	\$25,000
Property Of Others	\$25,000
Valuable Papers & Records	\$500,000
Property Off-Premises	\$25,000
Outdoor Property	\$100,000
Except trees, shrubs, lawns or plants	\$10,000
Except any one tree, shrub or plant	\$5,000
Accounts Receivable	\$50,000
Fire Extinguisher Recharge	\$10,000
Lock Replacement	\$7,500
Reward Reimbursement	\$25,000
Inventory and Appraisals	\$2,500
Wind Driven Precipitation	\$250,000
Backup Of Sewers And Drains	\$150,000
Outdoor Signs	\$20,000
"Fungus", Wet Rot, Dry Rot And Bacteria	\$50,000
Property In Transit	\$100,000
Off Premises Power Failure – (subject to a 24-hour deductible)	\$50,000

**A. Coverage****4. Additional Coverages**

The following paragraphs are amended as follows:

**a. Debris Removal**

The amount in subparagraph (4) of \$10,000 is replaced with the amount shown in the Schedule above.

**c. Fire Department Service Charge**

The amount of \$1,000 is replaced with the amount shown in the Schedule above.

**d. Pollutant Clean-up And Removal**

The amount of \$10,000 is replaced with the amount shown in the Schedule above.

**f. Electronic Data**

The amount in subparagraph (4) of \$2,500 is replaced with the amount shown in the Schedule above.

**5. Coverage Extensions**

The following paragraphs are amended as follows:

**a. Newly Acquired Or Constructed Property**

The number of days in subparagraph (3)(b) of 30 days is replaced with the number of days shown in the Schedule above.

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

The amount of \$2,500 is replaced with the amount shown in the Schedule above.

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

The amount in subparagraph (4) of \$2,500 is replaced with the amount shown in the Schedule above.

**d. Property Off-premises**

The amount in subparagraph (3) of \$10,000 is replaced with the amount shown in the Schedule above.

**e. Outdoor Property**

The amount of \$1,000, but not more than \$250 for any one tree, shrub or plant, is replaced with the amount shown in the Schedule above.

The following coverage extensions are added:

**g. Accounts Receivable**

(1) You may extend the insurance that applies to Your Business Personal Property to apply to your records of accounts receivable:

- (a) At a described premises or in or on a vehicle in transit between described premises; or

(b) At a safe place away from your described premises if the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss;

(c) For amounts due from your customers that you are unable to collect. This includes:

(i) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

(i) Collection expenses in excess of your normal collection expenses that are made necessary by the loss;

(ii) Other reasonable expenses that you incur to re-establish your records of accounts receivable that result from direct physical loss or damage by any Covered Causes of Loss to your records of accounts receivable, including credit or charge card slips.

(2) The Accounts Receivable loss payment will be determined as follows:

(a) The actual loss sustained when the amount of accounts receivable outstanding at the time of loss is accurately established; or

(b) The following when the amount of accounts receivable outstanding at the time of loss cannot be accurately established:

(i) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and

(ii) Adjust the total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.

(3) The following will be deducted from the total amount of accounts receivable, however, that amount is established:

(a) The amount of the accounts for which there is no loss;

(b) The amount of the accounts that you are able to re-establish or collect; and

(c) An amount to allow for probable bad debts that are normally unable to collect.

**(4) Exclusions**

(a) We will not pay for loss caused by or resulting from any of the following:

(i) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

(b) We will not pay for loss that requires any audit of records or of inventory computation to prove its factual existence.

The most we will pay for loss or damage under this extension is shown in the Schedule above.

**h. Fire Extinguisher Recharge**

You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this extension is shown in the Schedule above.

No deductible shall apply to this coverage.

**i. Lock Replacement**

You may extend the insurance provided by this coverage form to cover necessary expense to repair or replace exterior or interior door locks of a covered building when:

(1) Your door keys are stolen in a covered theft loss; or

(2) Your property is damaged and your door keys are stolen by burglars.

The most we will pay under this extension is shown in the Schedule above.

No deductible shall apply to this coverage.

**j. Reward Reimbursement**

You may extend the insurance provided by this coverage form to provide a reward for information that leads to a criminal conviction in connection with loss or damage to covered property by a Covered Cause of Loss.

The most we will pay for loss or damage under this extension is shown in the Schedule above, regardless of the number of persons involved in providing information.

**k. Inventory And Appraisals**

You may extend the insurance provided by this coverage form to cover your expenses to record information, compile inventories, or obtain appraisals we require to comply with the loss conditions of this coverage form.

**l. Wind Driven Precipitation**

You may extend the insurance provided by this coverage form to cover Wind Driven Precipitation. Wind Driven Precipitation is defined as loss or damage to the interior of any building or structure, or to personal property in the building or structure caused by or resulting from rain, snow, sleet or ice, when driven by wind. This extension does not cover loss caused by design, specifications, workmanship, repair, construction, renovation, remodeling, grading, faulty, inadequate or defective materials used in repair, construction, renovation or remodeling; or maintenance of part or all of any property on or off the described premises. Wind Driven Precipitation losses are subject to the Hurricane deductible whether caused by Hurricane or not.

The most we will pay for loss or damage under this extension is shown in the Schedule above for any one loss to covered property caused by a Covered Cause of Loss.

**m. Backup Of Sewers And Drains**

You may extend the insurance provided by this coverage form to cover direct physical loss or damage to Covered Property, caused by or resulting from discharge of water or waterborne material from a sewer, drain or sump located on the described premises, provided such discharge is not induced by flood or flood-related conditions.

The most we will pay for loss or damage under this extension is shown in the Schedule above for any one loss to covered property caused by a Covered Cause of Loss.

**C. Limits Of Insurance**

The amount expressed in paragraph 2 for outdoor signs, whether or not attached to a building, is replaced with the amount shown in the Schedule above. This limit of liability is per sign in any one occurrence.

In **Causes of Loss – Special Form (CP 10 30)**, the following are amended:

**B. Exclusions**

Paragraph **1.e. Utility Services** is deleted.

Paragraph **1.g. Water**, item **(3)** is deleted.

**C. Limitations**

Paragraph **1.c.** is deleted and replaced by the following:

- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, unless:

- (1) Coverage provided under **5. Coverage Extensions, I. Wind Driven Precipitation;**
- (2) 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
- (3) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

**E. Additional Coverage – Limited Coverage for “Fungus”, Wet Rot, Dry Rot And Bacteria**

The amount in paragraph **3.** of \$15,000 is replaced with the amount shown in the Schedule above.

**F. Additional Coverage Extensions**

**1. Property In Transit**

The amount in paragraph c. of \$5,000 is replaced with the amount shown in the Schedule above.

The following is added to **F. Additional Coverage Extensions:**

**4. Off-Premises Power Failure**

You may extend the insurance provided under this coverage part to pay for loss or damage to covered property that results from the failure of power or other utility service supplied to the described premises. The failure of power or other utility service must:

- a. Result from a Covered Cause of Loss; and
- b. Occur away from the described premises.

This coverage extension does not apply to loss of income or extra expenses.

The most we will pay for loss or damage under this extension is shown in the Schedule above.

All other provisions of this policy apply.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

## **FLORIDA - CLAIM PAYMENT PROVISION- CONDOMINIUM**

The following (4.g.(3)) is added to the Loss Payment section of **CP 00 17 10 00 – Condominium Association Coverage Form**.

- (3) Within 90 days of receiving notice of claim, unless we deny the claim during that time or factors beyond our control reasonably prevent such payment. If a portion of the claim is denied, then the 90-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to the following:

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

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

**WATER EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

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

**B. Water**

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

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **5.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

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

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

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

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

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

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA ADVISORY NOTICE TO POLICYHOLDERS**

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your new or renewal policy being issued by us:

### **Exclusion Of Loss Due To Virus Or Bacteria Endorsement CP 01 40 07 06**

This endorsement makes an explicit statement regarding a risk that is not covered under your Commercial Property insurance. It points out that there is no coverage under such insurance for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. The exclusion in this endorsement applies to all coverages provided by your Commercial Property insurance, including (if any) property damage and business income coverages.

**EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT**

As respects this **Equipment Breakdown Enhancement Endorsement**, this endorsement changes coverage provided by the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10 06 07**  
**CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17 06 07**  
**CAUSES OF LOSS – BASIC FORM CP 10 10 06 07**  
**CAUSES OF LOSS – BROAD FORM CP 10 20 06 07**  
**CAUSES OF LOSS - SPECIAL FORM CP 10 30 06 07**

Read the entire endorsement carefully to determine rights, duties and what is and is not covered.

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM & CONDOMINIUM ASSOCIATION COVERAGE FORM****A. Coverage****4. Additional Coverages**

The following Additional Coverages are added as a part of and not in addition to the limit per loss:

**g. Pollutant Clean Up and Removal**

We will pay for the Pollutant Clean Up and Removal for loss resulting from an "Equipment Breakdown". The most we will pay for the Pollutant Clean Up and Removal is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In the case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

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

**h. Expediting Expenses**

We will pay for the expediting expense loss resulting from an "Equipment Breakdown" with respect to your damaged Covered Property. We will pay the reasonable extra cost to:

- (1) Make temporary repairs;
- (2) Expedite permanent repairs; and
- (3) Expedite permanent replacement

Reasonable extra cost shall mean "the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including over-time and the extra cost of express or other rapid means of transportation."

**i. Refrigerant Contamination**

We will pay the loss from contamination by refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as a result of an "Equipment Breakdown".

The most we will pay for Refrigerant contamination is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit provided by the Deductible and Limits Exceptions Schedule will apply.

**j. Spoilage**

We will pay for loss of "perishable goods" due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an "Equipment Breakdown" to property covered by this policy, that are:

- (1) Located on or within 1,000 feet of your described premises; and
- (2) Owned by you, the building owner at your described premises, or owned by a public utility.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or

sleet, freezing, falling objects, smoke, air- craft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic ac- tion, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.

"Perishable Goods" means stock preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.

The most we will pay for Spoilage is \$250,000 unless another limit is provided by the Deductible and Limits Exceptions Schedule to which this endorsement can be attached. In that case, the limit pro- vided by the Deductible and Limits Exceptions Schedule will apply.

#### **k. CFC Refrigerants**

We will pay for the additional cost to re- pair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) sub- stances.

Additional costs mean those in excess of what would have been required to repair or replace covered property, had no CFC refrigerant been involved. we also pay for additional loss as described under the Spoilage or Loss of Income Coverages provided by this endorsement, caused by the presence of a refrigerant containing CFC substances

We pay no more than the least of the fol- lowing:

- (1)** The cost to replace damaged proper- ty and replace CFC refrigerant;
- (2)** The cost to repair the damaged prop- erty, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- (3)** The cost to replace the system with one using a non-CFC refrigerant.

#### **l. Computer Equipment**

We will pay for loss or damage to your "computer equipment" caused by an "Equipment Breakdown".

"Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including peripherals used in conjunction with such equipment, and electronic media and records.

#### **m. Service Interruption**

Any insurance provided for Business In- come or Extra Expense is extended to apply to your loss, damage or expense caused by an "Equipment Breakdown" to equipment that is owned by a utility, land- lord or other supplier with whom you have a contract to supply you

with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "Equipment Break- down" except that it is not Covered Prop- erty.

#### **n. Valuable Papers and Records – Cost of Research**

Valuable Papers and Records (Other Than Electronic Data)

We will pay for your reasonable and necessary cost to research, replace and re- store the lost information on electronic media and records as a result of an "Equipment Breakdown".

This will be part of and not an addition to the limits provided by the "valuable pa- pers and records" coverage under the property form to which this endorsement is attached.

#### **o. Extra Expense Coverage**

We will pay for the Extra Expense you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or resulting from an "Equipment Breakdown".

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- (1)** Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2)** Minimize the "suspension" of business if you cannot continue "operations".

The amount of Extra Expense will be determined based on:

- (1)** All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
  - (a)** The salvage value that remains of

any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

- (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) Necessary expenses that reduce the Extra Expense otherwise incurred.
- (a) We will reduce the amount of your Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
  - (b) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

We will not pay for:

- (1) The Extra Expense that would not or could not have been carried on if the "Equipment Breakdown" had not occurred;
- (2) Your failure to use due diligence and dispatch and all reasonable means to resume business at the premises described in the Declarations; or
- (3) That part of any loss or expense that is due solely to the "suspension", lapse or cancellation of a contract following an "Equipment Breakdown" extending beyond the time business could have resumed if the contract had not lapsed, been suspended or cancelled.

The most we will pay for Extra Expense is \$50,000 unless another limit is provided by an endorsement to which this endorsement can be attached. In that case, the higher of the two limits will apply.

#### F. Additional Conditions

The following Additional Conditions are added:

##### 3. Suspension

Whenever Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension / coverage reinstatement to:

- (a) Your last known address; or
- (b) The address where the property is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

##### 4. Jurisdictional Inspections

If any Covered Property under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

##### 5. Environmental, Safety and Efficiency Improvements

If Covered Property requires replacement due to an "Equipment Breakdown", we will pay your additional cost to replace with equipment that is better for the environment, safer, or more energy efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This Condition does not apply to any property to which Actual Cash Value applies.

##### 6. Green Environmental and Efficiency Improvements

If Covered Property requires repair or replacement due to an "Equipment Breakdown", we will pay;

- a. The lesser of the reasonable and necessary additional cost incurred by the Insured to repair or replace physically damaged Covered Property with equipment of like kind and quality which qualifies as "Green". "Like kind and quality" includes similar size and capacity.
- b. The additional reasonable and necessary fees incurred by the Insured for an accredited professional certified by a "Green Authority" to participate in the repair or replacement of physically damaged Covered Property as "Green".
- c. The additional reasonable and necessary cost incurred by the Insured for certification or recertification of the repaired or replaced Covered Property as "Green".
- d. The additional reasonable and necessary cost incurred by the Insured for "Green" in the removal, disposal or recycling of damaged Covered Property.
- e. The business interruption (if covered within the Policy to which this Equipment Breakdown Enhancement Endorsement is attached) loss during the additional time required for repair or replacement of Covered Property, consistent with "Green", in the coverages above.

We will not pay more than 125%, to a maximum limit of \$100,000, of what the cost would have been to repair or replace with equipment of like kind and quality inclusive of fees, costs, and any business interruption loss incurred as stated above.

Green Environmental and Efficiency Improvements does not cover any of the following:

- a. Covered Property does not include stock, raw materials, finished goods, "production machinery", merchandise, electronic data processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which the Insured is legally liable, or personal property of others.
- b. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.
- c. Any loss covered under any other section of this policy.
- d. Any cost incurred due to any law or ordinance with which the Insured was legally obligated to comply prior to the time of the "Equipment Breakdown".

#### H. DEFINITIONS

The following Definitions are added:

4. "Equipment Breakdown" as used herein means:
    - a. Physical loss or damage both originating within:
      - (1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
        - (a) waste disposal piping;
        - (b) any piping forming part of a fire protective system;
        - (c) furnaces; and
        - (d) any water piping other than:
          - (i) boiler feed water piping between the feed pump and the boiler;
          - (ii) boiler condensate return piping; or
          - (iii) water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.
      - (2) All mechanical, electrical, electronic or fiber optic equipment; and
    - b. Caused by, resulting from, or consisting of:
      - (1) Mechanical breakdown;
      - (2) Electrical or electronic breakdown; or
      - (3) Rupture, bursting, bulging, implosion, or steam explosion.
- However, "Equipment Breakdown" will not mean:
- a. Physical loss or damage caused by or resulting from any of the following; however if loss or damage not otherwise excluded results, then we will pay for such resulting damage:
    - (1) Wear and Tear;
    - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other quality in property that causes it to damage or destroy itself;
    - (3) Smog;
    - (4) Settling, cracking, shrinking or expansion;
    - (5) Nesting or infestation, or discharge or release of waste products or secretions, by birds, rodents or other animals;
    - (6) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any hardware, programs or software;
    - (7) Scratching and marring.
  - b. Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freezing, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.
  5. "Green" means products, materials, methods and processes certified by a "Green Authority" that conserves natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
  6. "Green Authority" means an authority on "Green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), "Green" Building Initiative Green Globes®, energy Star Rating System



or any other recognized “Green” rating system.

7. “Production machinery” means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.
8. “Operations” means your business activities occurring at the described premises.
9. “Period of restoration” means the period of time that:
  - a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.“Period of restoration” does not include any increased period required due to the enforcement of any ordinance or law that:
  - (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or
  - (2) 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”.The expiration date of this policy will not cut short the “period of restoration”.

10. “Suspension” means the slowdown or cessation of your business activities.

#### CAUSES OF LOSS – BASIC FORM

##### A. Covered Causes of loss

The following Covered Causes of Loss is added:

12. “Equipment Breakdown”.

##### B. Exclusions

The following Exclusions do not apply:

B.2.d. and B.2.e.

The following Exclusions are deleted and replaced with following:

B.2.a. Magnetic or electromagnetic energy that disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or device, appliance, system or network utilizing cellular or satellite technology.

For the purposes of this exclusion, magnetic or

electromagnetic energy includes but is not limited to:

- (a) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (b) Pulse of electromagnetic energy; or
- (c) Electromagnetic waves or microwaves.

However, if damage results causing an “Equipment Breakdown”, we will pay for the loss or damage caused by that “Equipment Breakdown”. But if fire results, we will pay for the loss or damage caused by that fire.

#### CAUSES OF LOSS – BROAD FORM

##### A. Covered Causes of Loss

The following Covered Causes of Loss is added:

15. “Equipment Breakdown”

##### B. Exclusions

The following Exclusions do not apply:

B.2.b. and B.2.c.

The following Exclusions are deleted and replaced with the following:

B.2.a. Magnetic or electromagnetic energy that disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

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

- (a) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (b) Pulse of electromagnetic energy; or
- (c) Electromagnetic waves or microwaves.

However, if damage results causing an “Equipment Breakdown”, we will pay for the loss or damage caused by that “Equipment Breakdown”. But if fire results, we will pay for the loss or damage caused by that fire.

#### CAUSES OF LOSS - SPECIAL FORM

##### A. Covered Causes of Loss

Covered Causes of Loss also means “Equipment Breakdown”.

##### B. Exclusions and Limitations

The following Exclusions and Limitations do not apply:

- a. Exclusions B.2.d. (6) and B.2.e;
- b. Limitations C.1.a. and C.1.b.

The following Exclusions are deleted and replaced

with the following:

B.2.a. Magnetic or electromagnetic energy that disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

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

- (a) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (b) Pulse of electromagnetic energy; or
- (c) Electromagnetic waves or microwaves.

However, if damage results causing an "Equipment Breakdown", we will pay for the loss or damage caused by that "Equipment Breakdown". But if fire results, we will pay for the loss or damage caused by that fire.

#### G. Definitions

The following is added to the "Specified Causes of Loss" definition:

"Specified Causes of Loss" also means "Equipment Breakdown".

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

**LIMITED ORDINANCE OR LAW –  
EXTENSION OF COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM

**SCHEDULE\***

Bldg. No./ Prem. No.	Coverage A, B And C Maximum Combined Limit Of Insurance.
/  /	
*Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.	

Except as otherwise provided, the following extension applies to property described in the Declarations.

**A. Application Of Coverage(s)**

The Coverage(s) provided by this endorsement apply only if both **A.1.** and **A.2.** are satisfied and are then subject to the qualifications set forth in **A.3.**

1. The ordinance or law:
  - a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
  - b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

- 2.a. The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

3. In the situation described in **A.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A, B,** and/or **C** of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section **G.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A, B** and/or **C** of this endorsement.

- B.** We will not pay under Coverage **A, B** or **C** of this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

**C. Coverage**

**1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building**

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

**2. Coverage B – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

**3. Coverage C – Increased Cost Of Construction Coverage**

a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

b. When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with **3.a.** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in **3.a.**:

- (1) The cost of excavations, grading, back-filling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this Provision, **3.b.**

**D. Loss Payment**

1. All following loss payment Provisions are subject to the apportionment procedures set forth in Section **A.3.** of this endorsement.
2. Coverage A, Coverage B and Coverage C is included within the Limit of Insurance shown in the Declaration as applicable to the covered building. Coverage A, Coverage B and Coverage C does not increase the Limit of Insurance. The most we will pay, for the total of all covered losses is the Combined Limit of Insurance shown for Coverages A, B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
  - a. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
    - (1) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- (a) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
  - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (2) If the Replacement Cost Coverage Option applies and the property is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:
- (a) The actual cash value of the building at the time of loss; or
  - (b) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- b. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- c. With respect to the Increased Cost of Construction:
- (1) We will not pay for the increased cost of construction:
    - (a) Until the property is actually repaired or replaced, at the same or another premises; and
    - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
  - (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
- E. The terms of this endorsement apply separately to each building to which this endorsement applies.
- F. Under this endorsement we will not pay for loss due to any ordinance or law that:

- 1. You were required to comply with before the loss, even if the building was undamaged; and
  - 2. You failed to comply with.
- G. Example of Proportionate Loss Payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section **A.3.** of this endorsement.)

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage **C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

**Note:** The same procedure applies to losses under Coverages **A** and **B** of this endorsement.

- I. The following definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

## COMMERCIAL CYBER DATA BREACH

THE ENDORSEMENT'S AGGREGATE LIMIT OF LIABILITY WILL BE REDUCED AND MAY BE EXHUSTED BY PAYMENT OF DAMAGES, CLAIM EXPENSES, PRIVACY BREACH EXPENSES, SYSTEM COMPROMISE, EXTORTION THREAT, FRUNDS TRANSER FRAUD, PCI FINES, AS WELL AS BUSINESS INCOME LOSS AND EXTRA EXPENSES.

THIS ENSORSEMENT PROVIDES INDEPENDENT COVERAGE, TERMS, AND DEFINITIONS.

PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY

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

### Schedule of Insurance

Coverage	Limit of Insurance / Sublimit of Insurance	
<b>ENDORSEMENT AGGREGATE COVERAGE LIMIT</b>	\$	
<b>A. LIABILITY COVERAGE LIMIT (Inclusive of the following Coverages):</b>	\$	
1. Media		
2. Network Security		
3. Data Compromise		
a. Privacy		
b. Regulatory Coverage		
Regulatory Fines (Sub Limit)	\$10,000	
<b>B. FIRST PARTY EXPENSE COVERAGE LIMIT (Inclusive of the following Coverages):</b>	\$	
1. Privacy Breach Event		
2. System Compromise		
3. Extortion Threat		
4. Funds Transfer Fraud		\$10,000
5. Payment Card Industry (Sub Limit)		\$10,000
6. Business Interruption (Sub Limit)	\$	
<b>C. ENDORSEMENT DEDUCTIBLE</b>	\$	
<b>D. BUSINESS INTERRUPTION WAITING PERIOD</b>	HOURS	
<b>E. ENDORSEMENT PREMIUM</b>	\$	

<p><b>ENDORSEMENT PERIOD</b> From _____ to _____ At 12:01 A.M. Standard Time at the address of the <b>Named Insured</b> as stated herein.</p>
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## **SECTION I: INSURING AGREEMENTS**

This Section lists the coverages that apply if indicated in the Schedule and have a Limit of Liability on the Schedule. If no Limit of Liability is set forth for an Insuring Agreement, coverage has not been purchased for such Insuring Agreement. Various provisions in this **Endorsement** restrict coverage and coverage is subject to certain conditions precedent set forth in this **Endorsement**. Read the entire **Endorsement** carefully to determine rights, and duties and what is and is not covered.

### **A. LIABILITY COVERAGE.**

1. MEDIA.

The **Company** will pay on the **Insured's** behalf the **Damages** the **Insured** becomes legally obligated to pay resulting from a **Claim** directly arising from any **Media Wrongful Event** First **Discovered** during the **Endorsement Period**.

2. NETWORK SECURITY.

The **Company** will pay on **Insured's** behalf the **Damages** the **Named Insured** becomes legally obligated to pay resulting from a **Claim** directly arising from any **Network Security Event** first **Discovered** during the **Endorsement Period** when such **Network Security Event** is directly caused by a **Targeted Attack**.

3. DATA COMPROMISE.

a. PRIVACY.

The **Company** will pay on the **Insured's** behalf the **Damages** the **Insured** becomes legally obligated to pay resulting from a **Claim** directly arising from any **Privacy Breach Event** first **Discovered** during the **Endorsement Period** when such **Privacy Breach Event** is directly caused by a **Targeted Attack**, or due to the **Accidental Release** of **Protected Information** directly by the **Named Insured**.

b. REGULATORY.

The **Company** will pay on the **Insured's** behalf the **Regulatory Fines** and **Claim Expenses** that the **Insured** becomes legally obligated to pay resulting from a **Regulatory Proceeding Claim** directly arising from a **Privacy Breach Event** first **Discovered** during the **Endorsement Period** when such **Privacy Breach Event** is directly caused by a **Targeted Attack**, or due to the **Accidental Release** of **Protected Information** directly by the **Named Insured**.

### **B. FIRST PARTY EXPENSE COVERAGE.**

1. PRIVACY BREACH EVENT.

The **Company** will pay the **Named Insured** for **Privacy Breach Expenses** directly arising from a **Privacy Breach Event** first **Discovered** during the **Endorsement Period** when such **Privacy Breach Event** is directly caused by a **Targeted**, or due to the **Accidental Release** of **Protected Information** directly by the **Named Insured**.

2. SYSTEM COMPROMISE.

The **Company** will pay the **Named Insured** for **Data Replacement Expenses** and **Computer System Restoration Expenses** directly arising from a **System Compromise Event** first **Discovered** during the **Endorsement Period** when such **System Compromise Event** is directly caused by a **Targeted Attack** that the **Named Insured** unintentionally or unknowingly fails to prevent.

3. EXTORTION THREAT.

The **Company** will pay the **Named Insured** for **Extortion Threat Losses** directly arising from an **Extortion Threat Event** first **Discovered** during the **Endorsement Period**, directly caused by a **Targeted Attack**.

4. FUNDS TRANSFER FRAUD.  
The **Company** will pay the **Named Insured** for **Defrauded Funds** first transferred during the **Endorsement Period** directly arising from a **Funds Transfer Fraud Event** first **Discovered** during the **Endorsement Period**.
5. PAYMENT CARD INDUSTRY.  
The **Company** will pay on the **Named Insured's** behalf the **PCI Fines** that the **Named Insured** becomes legally obligated to pay under a **PCI Claim** directly arising from a **PCI Security Violation Event** first **Discovered** during the **Endorsement Period** when such **PCI Security Violation Event** is directly caused by a **Targeted Attack**.
6. BUSINESS INTERRUPTION.  
The **Company** will pay the **Named Insured** for the **Business Income Loss** during a **Reconstruction Period** directly arising from a **Business Interruption Event** first **Discovered** during the **Endorsement Period** when such **Business Interruption Event** is directly caused by a **Targeted Attack**.

## SECTION II: LIMIT OF INSURANCE AND DEDUCTIBLE

### A. LIMITS OF INSURANCE.

1. ENDORSEMENT AGGREGATE LIMIT OF INSURANCE.  
The Aggregate Limit of Insurance for the **Endorsement Period** set forth in the Schedule attached is the maximum aggregate limit of the **Company's** liability for all **Damages** and **Losses**, under all Insuring Agreements combined under this **Endorsement**, regardless of the number of **Claims**, the number of **Losses** or the number of claimants.
2. LIABILITY LIMITS OF INSURANCE.  
If a Limit of Insurance is set forth for an Insuring Agreement in the Schedule under the heading "Liability Coverage Limit", then such Limit of Insurance is the maximum limit of the **Company's** liability for all **Damages** from all **Claims** in the aggregate under the applicable Insuring Agreement, which amount is part of, and not in addition to, the **Endorsement** Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule. **Claims Expenses** are part of **Damages** and as such are included in the Limit of Insurance, reducing the available Limits of Insurance and shall be applied against the Deductible.
3. FIRST PARTY COVERAGES LIMITS OF INSURANCE.  
If a Limit of Insurance is set forth for an Insuring Agreement in the Schedule under the heading "First Party Expense Coverage Limit", then such Limit of Insurance is the maximum limit of the **Company's** liability for all **Loss** in the aggregate under the applicable Insuring Agreement, which amount is part of, and not in addition to, the **Endorsement** Aggregate Coverage Limit, for the **Endorsement Period** set forth in the Schedule.
4. EVENT LIMIT.  
The Limit of Liability for all **Damages** and **Losses** arising from the same **Privacy Breach Event, Network Security Event, Media Wrongful Event, System Compromise Event, PCI Fines, Business Interruption or Extortion Threat Event** shall be limited to the Limit of Liability set forth in the Schedule for such **Privacy Breach Event, Network Security Event, Media Wrongful Event, and a System Compromise Event, PCI Fines, Business Interruption or Extortion Threat Event**.

### B. DEDUCTIBLE.

1. The **Company** shall only be liable for the amount of **Damages** arising from a **Claim**, or for a **Loss**, which is in excess of the applicable Deductible set forth in the Schedule under the heading Endorsement Deductible. Such Deductible shall be the sole obligation of the **Named Insured**. The **Company** has no obligation to the **Named Insured** or to any other person or entity to pay all or any portion of any Deductible amount for or on the **Named Insured's** behalf.



2. For the purpose of applying the Deductible, the **Named Insured** shall pay:
  - a. One single Deductible amount for **Damages** arising from each **Claim** and all its **Related Claims**. In the event such **Claim**, and all its **Related Claims** trigger more than one Deductible, then the highest of such Deductibles shall be deemed the Retention applicable to **Damages** arising from all such **Related Claims**.
  - b. One single Deductible amount for each **Loss** and all its **Related Losses**. In the event such **Loss** and all its **Related Losses** trigger more than one Deductible, then the highest of such Deductibles shall be deemed the Retention applicable to **Losses** arising from all such **Related Losses**.
  - c. One single Deductible amount in the event that a **Claim** and **Loss** arise out of, or are based upon or attributable to a continuous, repeated, the same, related, or substantially similar **Circumstances** or series of **Circumstances**, then the highest applicable Deductible shall apply to all **Damages** or **Losses** arising therefrom.

Any advancement or payment by the **Company** within the applicable Deductible shall apply toward exhaustion of the applicable Limit of Insurance.

### **SECTION III: DEFENSE AND SETTLEMENT**

#### **A. DUTY TO DEFEND.**

The **Company** has the right and duty to defend any suit arising under any **Claim** against the **Insured** seeking **Damages** which are payable under this **Endorsement**, even if any of the allegations are groundless, false, or fraudulent. The **Company** has no duty to defend or pay any **Damages** or **Claim Expenses** for a **Claim**:

1. Not first **Discovered** during the **Endorsement Period**; or
2. For which coverage is excluded or not otherwise covered by this **Endorsement**.

#### **B. SETTLEMENT.**

The **Company** has the right to investigate, direct the defense of, and/or settle any **Claim** as the **Company** deems expedient.

#### **C. TERMINATION OF DUTY TO DEFEND.**

1. The **Company's** right and duty to defend ends when the Aggregate Limit of Insurance or applicable Limit of Insurance is exhausted by the **Company's** payments or the **Company** deposits the remaining Aggregate Limit of Insurance or applicable Limit of Insurance with a court of competent jurisdiction.
2. The **Company's** right and duty to defend ends when the **Company** makes the determination that there is no coverage available under the **Endorsement** at which time the **Company** may withdraw its defense.

#### **D. COMPANY'S APPROVAL REQUIRED.**

The **Insured** shall not admit any liability, make any payment, assume any obligation, incur any expense, enter into or negotiate any settlement, stipulate to any judgment or award, or dispose of any **Claim** without **Approval** from the **Company**.

## E. SELECTION OF COUNSEL

The **Company** shall have the right to select and appoint counsel to defend any **Claim**. The **Insured** shall not appoint counsel to defend any **Claim** without the prior written approval of the **Company**. Any costs incurred by an **Insured** for work performed by counsel, when that counsel was not approved by the **Company** shall be borne by the **Insured** and shall not erode the applicable **Deductible**. The **Company** shall have the right to substitute its chosen counsel for any counsel previously selected by the **Insured** without the **Company's** consent unless otherwise prohibited by applicable law.

## SECTION IV: REPORTING REQUIREMENTS

### A. INSURED'S DUTY TO REPORT.

It is a condition precedent to coverage under this **Endorsement** that if the **Named Insured** first **Discovers** during the **Endorsement Period** any **Claim**, or any **circumstance** which could reasonably be expected to give rise to a **Claim, Loss** or **Targeted Attack** and prior to any payment with respect to such **Claim, Loss** or **Targeted Attack**, the **Named Insured** provide a written notice as follows:

1. As soon as practicable during the **Endorsement Period** but in all cases no later than 30 days after first **Discovered** during the **Endorsement Period**.
2. If this **Endorsement** is not renewed or is cancelled for any reason, within 30 days after the **Endorsement Period** ends. Provided that, if the **Company** sends written notice to the **Named Insured** that this **Endorsement** is being cancelled for non-payment of premium, as a condition precedent to coverage for a **Claim** or **Loss**, the **Named Insured** must notify the **Company** of any such **Claim, Loss** or **Targeted Attack** prior to the effective date of the cancellation; provided further that notice by the **Named Insured** to any **Vendor** does not constitute notice of a **Claim** or **Loss** notice under this **Endorsement**.

### B. REQUIRED INFORMATION.

In addition to providing the notice in paragraph A of this Section IV, each notice must include a written report with the following information:

1. The names of the claimant or potential claimant, the **Impacted Individuals** and any other persons or entities involved, the specific **Third Party Liability Event** or the **Regulatory Proceeding** which may form the basis of the **Claim**, a description of how the **Named Insured** first **Discovered** the circumstances giving rise to the **Claim**, and the nature and extent of the potential damages; and
2. The reason the **Named Insured** reasonably believes such **Circumstances** are likely to result in a **Claim**.

### C. NO COVERAGE.

1. No coverage will be provided for:
  - a. Any **Damages** incurred or paid prior to the time the **Claim** or any related **Claim** is notified to the **Company**.
  - b. Any **Loss** incurred or paid prior to the time the **Loss** is notified to the **Company**, unless otherwise authorized in writing by the **Company**.
2. No coverage under this **Endorsement** will be provided if the **Named Insured** or its **Knowledge Group Members** report any matter knowing it to be false or fraudulent.

### D. DETERMINATION OF FIRST DISCOVERY.

1. Each **Claim** and all its **Related Claims** will be treated as a single **Claim** first **Discovered** on the earliest of the following:
  - a. When the earliest of the **Related Claims** was first **Discovered** by the **Named Insured** or a **Knowledge Group Member**.

- b. When the earliest of the **Related Claims** is treated by the **Company** as having been first **Discovered**.  
This applies regardless of the following:
    - a. The number of **Related Claims**.
    - b. The number or identity of claimants.
    - c. The number or identity of **Impacted Individuals** involved.
    - d. Whether the **Related Claims** are asserted in a class action or otherwise.
    - e. The timing of the **Related Claims**, even if the **Related Claims** were received or **Discovered** in more than one **Endorsement Period**.
2. Each **Loss** and all **Related Losses**, whenever occurring, will be deemed to be a single **Loss** first **Discovered** when the earliest of such **Related Losses** was first **Discovered**.
3. Any **Claim** or **Loss** arising from a **Privacy Breach Event** shall be treated as a **Claim** or **Loss** first **Discovered** at the time the **Named Insured** or a **Knowledge Group Member** first **Discovered** such **Privacy Breach Event**.
4. Any **Claim** or **Losses** arising from the same or related **Privacy Breach Event**, **Network Security Event**, **Media Wrongful Event**, **System Compromise Event**, **PCI Security Violation Event**, **Funds Transfer Fraud Event**, **Business Interruption Event**, or **Extortion Threat Event**, shall be deemed to be only one event, first **Discovered** at the time the **Named Insured** or a **Knowledge Group Member** first **Discovered** the first of such events, and is subject to one deductible, and the **Endorsement** Aggregate Coverage Limit of Insurance set forth in the Schedule.

## **SECTION V: DUE DILIGENCE AND COOPERATION**

### **A. DUE DILIGENCE REQUIREMENTS.**

1. It is a condition precedent to coverage under this **Endorsement** that the **Named Insured** shall maintain its **Computer System** in accordance with industry accepted standards and use due diligence to prevent and mitigate against any **Damages** or **Loss**. This includes, but is not limited to, complying with reasonable and industry accepted protocols for:
  - a. Providing and maintaining physical security for the **Named Insured's** premises and the **Named Insured's Computer System**.
  - b. Providing appropriate computer, Internet and network security for the **Named Insured's Computer System** and ensuring that such security is updated and patched with commercially reasonable frequency.
  - c. Installing, maintaining, updating and patching back-ups, firewalls, and virus scans for the **Named Insured's Computer System** with commercially reasonable frequency.
  - d. Providing and maintaining password protection and encryption for all **IOT Devices**, **Portable Devices** and **Peripheral Hardwired Devices**;
  - e. Providing and maintaining encryption for **Protected Information** and financial transactions such as credit card, debit card, and check processing.
  - f. Providing and maintaining secure disposal procedures of files containing **Protected Information** no longer needed for use.
2. It is a condition precedent to coverage under this **Endorsement** for any **Funds Transfer Fraud Event** that the **Named Insured** have a written policy in place which requires a **Knowledge Group Member** to contact the party requesting the funds transfer to confirm the requested amount and the payment instructions (payee name, address and account number, if applicable) either in person or by phone, using a phone number obtained from a source other than the funds transfer request communication, when the funds transfer request is for a new payee or when the request includes any change in payment instructions from previous requests.

### **B. COOPERATION.**

The **Insured** agrees not to take any action or fail to take any required action that prejudices the **Insured's** right or the

**Company's** rights with respect to a **Claim** or **Loss**. In the event of a **Claim** or a **Loss**, the **Insured** must do any or all of the following upon the **Company's** request:

1. Fully assist and cooperate with the **Company** in the conduct, defense, investigation, negotiation, and settlement of a **Loss** or **Claim** or investigation of coverage of a **Loss** or **Claim**.
2. Submit to an examination under oath; provide the **Company** with written statements; attend meetings and negotiations; produce and make available all information, books, records, documents, and other materials which the **Company** deems relevant; authorize the **Company** to obtain records and other information.
3. Take necessary steps to protect the **Computer System** and **Protected Information** from further loss or damage and keep a record of the expenses necessary to do so.
4. Attend hearings, depositions, proceedings, trials, and appeals; assist the **Company** in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and pursuing or enforcing any right of contribution or indemnity against a person or entity who may be liable to the **Insured**.
5. Accept the **Company's** assignment of counsel unless otherwise prohibited by applicable law.

## **SECTION VI: EXCLUSIONS**

**A.** The **Company** shall not be liable to make any payment for **Damages** or **Losses** based upon, arising out of, attributable to, caused by or resulting from:

1. Any of the following, whether actual or alleged:
  - a. Direct creation of **Malicious Code** or intentional tampering with any **Computer System** by the **Named Insured** or its **Knowledge Group Members**.
  - b. Dishonest, fraudulent, criminal, or malicious act, error, or omission by the **Named Insured** or its **Knowledge Group Members**.

Provided, however, the above sub-parts shall not apply:

- i. To any **Insured** who did not intentionally and knowingly commit, acquiesce or participate in the conduct that gave rise to the **Claim, Regulatory Proceeding Claim, PCI Claim, Privacy Breach Event, System Compromise Event** or **Extortion Threat Event**;
  - ii. In the absence of a final judgment, adjudication or binding arbitration ruling adverse to such **Insured**. Upon such final adverse judgment, adjudication, or final arbitration ruling, the **Insured** shall reimburse the **Company** for all **Damages, Losses, and Claim Expenses** we have incurred or paid.
2. Any **Network Security Event, Regulatory Proceeding, PCI Security Violation Event, Privacy Breach Event, Extortion Threat Event, System Compromise Event, Funds Transfer Fraud Event, or Network Disruption Event** that was not directly caused by a **Targeted Attack**.
  3. Any **Named Event**.
  4. Any internet system failure, internet service failure, internet service provider failure, or failure of any device or computer system. This exclusion does not apply to internet systems, devices or computer systems owned or leased by, and operated under the control of, the **Named Insured**.
  5. Any failure, including but not limited to security failure, or interruption of service of a cloud provider or other entity providing hardware, software or other services to the **Named Insured** over the Internet, including but not limited to the provision of software as a service, infrastructure as a service, platform as a service, or data storage as a service.

6. Any actual mechanical, electrical, or utility failure including but not limited to power interruption, surge, brownout, blackout, or any defect of telephone, telecommunications, satellite systems, data transmission lines, and any related infrastructure.
7. Any of the following, whether actual or alleged:
  - a. Bodily injury, sickness, disease, or death of any person.
  - b. Physical injury to, or loss or destruction of, tangible property, including but not limited to the loss of use thereof, or the loss of use of tangible property which has not been physically injured, lost, damaged or destroyed.

This exclusion shall not apply to a **Claim** for mental injury, mental anguish, or emotional distress directly resulting from a **Privacy Breach Event** or a **Media Wrongful Event**. For purposes of this exclusion, data is not considered tangible property.
8. Any of the following:
  - a. Nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance, electromagnetic field, electromagnetic radiation, or electromagnetism.
  - b. War, invasion, acts of foreign enemies, hostilities (whether war is declared or not), rebellion, revolution, insurrection, war-like action, coup, usurped powers or military power, including but not limited to state sponsored actors.
  - c. Fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.
9. Any actual or alleged unlawful or unauthorized obtaining, gathering, collecting, acquiring, using, distribution or sale by the **Named Insured** or its **Knowledge Group Members** of any **Protected Information**.
10. The unsolicited dissemination of any communication to actual or prospective customers of the **Named Insured**, its **Knowledge Group Members**, or any third party.
11. Any actual or alleged violation of the Telecommunications Act, the CAN-SPAM Act, or any other federal, state or local legislation, regulation or law protecting a person's or entity's right of seclusion or privacy. Provided, however, that this exclusion will not apply to other Privacy Laws or Regulatory Proceeding Claims.
12. Any actual or alleged gaining of any profit or advantage to which the **Named Insured** or its **Knowledge Group Member** is not legally entitled.
13. Any actual or alleged patent infringement or theft, copying, misappropriation, display, or publication of any patent, process, confidential or proprietary information, or trade secret.
14. Any actual or alleged breach of contract, agreement, understanding, warranty including but not limited to product warranty, or other guarantee or promise. This exclusion shall not apply to the following:
  - a. Solely with respect to actual or alleged breach of contract, liability that would have attached to the **Named Insured** or its **Knowledge Group Members** in the absence of such contract.
  - b. **PCI Fines**.
  - c. Alleged violations of a written confidentiality or data/system security agreement.
15. Any liability or obligation the **Named Insured** assumes under any contract, agreement, understanding, warranty including but not limited to product warranty, or other guarantee or promise. This exclusion shall not apply to the following:
  - a. Liability that would have attached to the **Named Insured** in the absence of any such contract, agreement, understanding, warranty or other guarantee or promise.
  - b. **PCI Fines**.
  - c. Alleged violations of a written confidentiality agreement.
16. Any seizure, nationalization, confiscation, destruction, deletion or expropriation of any Protected Information

or any Computer System held or used by the Named Insured or its Knowledge Group Members by order of any governmental authority.

17. Any of the following, whether actual or alleged:
- a. Violation of any federal, state, local, foreign legislation, regulation, or law prohibiting any restraint of trade or antitrust activity.
  - b. Any price fixing, price discrimination, monopoly or monopolization, predatory pricing, unfair competition, collusion, conspiracy.
  - c. Any unfair, false, misleading, or deceptive trade or business practice.
  - d. False, misleading, deceptive, or fraudulent statement or representation in advertising or promoting the products, services, or business of the **Named Insured**.
18. Any of the following, whether actual or alleged:
- a. Discrimination of any kind.
  - b. Wrongful employment practice of any kind.
19. Any fact, circumstance, subject, decision, transaction, event, or situation:
- a. That was the subject of notice to another carrier prior to the Effective Date of this **Endorsement**; or-
  - b. Which any **Named Insured** or **Knowledge Group Member Discovered** prior to the Effective Date of this **Endorsement**, which could give rise to any **Claim** or **Loss**.
20. The presence, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, oil or other petroleum substances or derivatives, waste materials or other irritants, contaminants, pollutants or any other substances, including asbestos, fungus, mold and lead, which are or may be injurious to public health, property or the environment ("hazardous substances"), including:
- a. The cost of cleanup or removal of hazardous substances;
  - b. The cost of such actions as may be necessary to monitor, assess and evaluate, the presence, discharge, dispersal, escape, release, or threat of same, of hazardous substances;
  - c. The cost of disposal of hazardous substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize, or mitigate damage to the public health or welfare or to property or the environment, which may otherwise result; or
  - d. Any cost, based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way any government direction or request that the **Named Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize hazardous substances.

**B.** The **Company** shall not be liable to pay **Damages** or **Claim Expenses** resulting from any **Claim** by any of the following:

1. Any person, other than an **Impacted Individual** for a **Privacy Breach Event**.
2. Any entity owned or controlled by, or is under common ownership or control with, the **Named Insured**.
3. Any person or entity which owns or controls any **Named Insured**.
4. Any entity of which any **Impacted Individual** is a Director, Officer, Partner, or Principal Shareholder.
5. Any independent contractor of the **Named Insured**.

## **SECTION VII: GENERAL CONDITIONS**

### **A. TERMINATION.**

The cancellation and nonrenewal provisions of the policy to which this **Endorsement** is attached shall apply to this **Endorsement**. This **Endorsement** shall remain in effect until the expiration of the **Endorsement Period** unless:

1. The policy to which this **Endorsement** is attached is cancelled or non-renewed prior to the expiration of the **Endorsement Period**; or
2. This **Endorsement** is removed at the request of the **named insured**, such removal to be confirmed by further endorsement to the policy.

### **B. CHANGE IN CONTROL.**

During the **Endorsement Period**:

1. The **Named Insured** consolidates or merges with or into, or sells more than 50% of its assets to, any other natural person or entity or group of persons or entities acting in concert, such that the **Named Insured** is not the surviving entity; or
2. Any natural person or entity or group of persons or entities acting in concert acquire more than (50%) of the issued and outstanding voting equity securities of the **Named Insured** or control voting rights representing the right to vote for election of or to appoint more than 50% of the directors or trustees of the **Named Insured**.

If either of the above events take place, hereinafter referred to as the "**Transaction**", then this Policy shall continue in full force and effect as to any **Claim Discovered** prior to the **Transaction**, and as to any **Loss first Discovered** prior to the **Transaction**. There shall be no coverage afforded by any provision of this Policy for any **Claim Discovered** after the **Transaction** or any **Loss first Discovered** after the **Transaction**. The **Named Insured** shall give the **Company** written notice of the **Transaction** as soon as practicable but not later than thirty (30) days after the **Transaction**.

### **C. BANKRUPTCY.**

Bankruptcy or insolvency of the **Named Insured** will not relieve the **Insured** or the **Company** of any obligations under this **Endorsement** unless such obligations are in violation of applicable law.

### **D. EXCESS COVERAGE.**

This insurance shall be excess of any other insurance that applies to any coverage hereunder and shall not contribute with any or all other insurance, whether collectible or not. For avoidance of doubt, this insurance is specifically on an excess basis of any or all Crime insurance policies that may be available with respect to any **Funds Transfer Fraud Event**.

### **E. ASSIGNMENT.**

This **Endorsement** and any and all interests and rights hereunder are not assignable without the **Company's Approval**.

### **F. TERMS TO CONFORM TO APPLICABLE LAW.**

Where necessary, the **Company** shall amend the terms and conditions of this **Endorsement** to conform to applicable law.

### **G. TERRITORY.**

This **Endorsement** applies to acts committed or **Losses** occurring taking place anywhere in the world except countries or states against which the United States has implemented trade or diplomatic sanctions; provided, however, that any **Claim** must be brought in or directed to the United States.

#### H. SANCTIONS.

Any **Claim** or **Loss** or matter uninsurable under any act, statute, rule, regulation, ordinance, common law, or other law of the United States of America concerning trade or economic sanctions or export control laws is not covered under this **Endorsement** and this insurance does not apply to the extent that trade or economic sanctions or other similar laws or regulations prohibit the **Company** from providing insurance.

#### I. LEGAL ACTION AGAINST THE COMPANY.

No person or organization has a right under this **Endorsement** to sue the **Company** under this **Endorsement** unless all of its terms and conditions have been fully complied with.

A person or organization may sue the **Company** to recover on an agreed settlement or on a final judgment against an **Insured**; but the **Company** will not be liable for **Damages** that are not payable under the terms of this **Endorsement** or that are in excess of the applicable limit of insurance associated with the **Claim** for which the action against the **Company** is being brought. An agreed settlement means a settlement and release of liability signed by the **Company**, the **Insured** and the claimant or the claimant's legal representative.

#### J. NO JOINDER.

No individual or entity shall have any right under this **Endorsement** to join the **Company** as a party or otherwise bring the **Company** into any **Claim** seeking **Damages** to determine the liability of the **Insured**; nor shall the **Company** be impleaded by the **Insured** or the **Insured's** legal representative in any such **Claim**.

#### K. SUBROGATION.

In the event of any payment under this **Endorsement**, the **Company** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery thereof, and the **Insured** shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the **Company** to effectively bring suit in the name of the **Insured**. The **Company** may waive its subrogation rights against any third party, provided that such waiver of subrogation is executed in writing prior to any **Privacy Breach Event** or **Loss** giving rise to such right of subrogation.

The **Company** assumes no duty to recover any amounts paid under this **Endorsement**; however, any amounts as may be recovered pursuant to the exercise of the **Company's** rights of subrogation shall be applied as follows: (i) to the repayment of expenses incurred in exercising any rights of subrogation; (ii) to **Damages** and **Losses** in excess of the Limits of Liability hereunder; and (iii) to **Damages** and **Losses** paid by the **Company**.

#### L. HEADINGS.

The titles of paragraphs, sections, provisions, or endorsements of or to this **Endorsement** are intended solely for convenience and reference and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the **Endorsement**.

#### M. NOTICE.

All notices and requests for **Approval** shall be sent to the **Company** and shall be hand delivered or sent by (i) registered, certified mail; (ii) overnight mail by a reputable international express mail carrier; (iii) by facsimile; or (iv) electronic mail; provided that notice shall be sufficient proof of notice when the notice is received by the **Company**; provided further that



notice sent by facsimile will be deemed received with the automated confirmation of receipt and electronic mail will be deemed received only upon non-automated response to such email.

## **SECTION VIII: DEFINITIONS**

- A. Accidental Release** means the unintentional or unknowing dissemination of **Protected Information** by means other than **Malicious Code, Named Event, or a Targeted Attack**.
- B. Approval and Approved** means the **Company's** written approval in response to a request for approval by the **Named Insured** that is requested by notice as set forth in section VII.M of this Endorsement.
- C. Business Income Loss** means the **Extra Expenses** and the **Reconstruction Period Net Income** in excess of the **Waiting Period Deductible**.
- D. Business Interruption Event** means a total or partial disruption or deterioration in the **Named Insured's** business operation directly resulting from a **Network Security Event** or a **System Compromise Event**.
- E. Circumstances** means facts, subjects, situations, decisions, causes, persons, transactions, events, acts, errors or omissions, or class of persons or events.
- F. Claim** means each of the following first made during the **Endorsement Period**:
1. For the purposes of **Third Party Liability Events**, a written demand or assertion of a legal right for monetary damages or services, including the service of a civil complaint or similar proceeding, or request for arbitration or mediation brought by or on behalf of one or more affected individuals.
  2. For the purposes of Section B. 4. The PAYMENT CARD INDUSTRY INSURING AGREEMENT, a **PCI Claim**.
  3. For the purposes of Section A. 3. "b"., The REGULATORY INSURING AGREEMENT, a **Regulatory Proceeding Claim**.
- G. Claim Expenses** means each of the following, with respect to any **Claim**, first incurred during the **Endorsement Period**:
1. Reasonable and necessary fees, costs and expenses charged by any **Vendor** or lawyer **Approved** by the **Company** for the investigation, adjustment, settlement and/or defense of such **Claim**.
  2. Reasonable and necessary expenses charged by a **Vendor** to investigate a **Targeted Attack** of the **Named Insured's Computer System**.
  3. All interest which accrues after a judgment and is within the applicable Limit of Insurance or Aggregate Limit of Insurance, each as set forth in the Schedule.
  4. The premiums for appeal, attachment, or similar bonds, but only for bond amounts within the Applicable Limits of Insurance. The **Company** does not have any obligation to furnish these bonds.
- Claim Expenses** means each of the following, with respect to any **Claim**, first incurred during the **Endorsement Period**:
- i. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company's** or the **Named Insured's Knowledge Group Members**.
  - ii. Fees, costs, and expenses incurred prior to the time that a **Claim** was reported to and **Approved** by the **Company**.
  - iii. Fees, costs, and expenses incurred without the **Company's Approval**.
  - iv. Fees, costs, and expenses incurred to improve or upgrade the **Named Insured's Computer System** beyond what it was prior to the **Claim**.
  - v. Fees, costs, and expenses to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief.
- H. Company** means the Insurer as titled on the schedule page of this **Endorsement**.

I. **Computer System** means a computer or series of interconnected computers owned or leased, and operated under the control of the **Named Insured**, and includes **Peripheral Hardwired Devices**. **Computer System** also includes the following, if owned or leased and operated under the control of the **Named Insured**:

1. **Electronic Media.**
2. **Portable Devices.**
3. **IOT Devices.**

J. **Computer System Restoration Expenses** means the reasonable and necessary fees, costs and expenses charged by a **Vendor** to restore the software in the **Named Insured's Computer System**, if damaged by a **System Compromise Event**, to its operating performance immediately before the **System Compromise Event**, including costs to reinstall or replace software or configure or correct the configuration of the **Named Insured's Computer System**. If such software cannot reasonably be restored, the term **Computer System Restoration Expenses** means the actual, reasonable and necessary costs and expenses incurred by the **Vendor** to reach this determination.

**Computer System Restoration Expenses** does not include any of the following:

1. The cost of new or replacement hardware.
2. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company's** or the **Named Insured's Knowledge Group Members**.
3. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Named Insured's Computer System** beyond the level that existed immediately prior to the occurrence of a **System Compromise Event**, including but not limited to costs and expense to replace, remediate or improve the **Named Insured's Computer System**, or identify or remove software programs errors, malware, computer viruses or vulnerabilities or create or develop software or trade secrets.
4. Any costs in excess of the actual cash value of the **Named Insured's Computer System**.
5. Indirect or consequential losses.

K. **Corporate Information** means any business information of a third party not insured under this **Endorsement**, which is not available to the general public and is provided to the **Named Insured** or a **Knowledge Group Member**, subject to a mutually executed written confidentiality agreement, or which the **Named Insured** or a **Knowledge Group Member** is legally required to maintain in confidence. The term **Corporate Information** does not include **Personally Identifiable Information**.

L. **Crypto currency** means a digital or virtual currency that uses crypto currency for security and uses encryption techniques to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank.

M. **Damages** means:

1. With respect to a **Third-Party Liability Claim, Claims Expenses** and any monetary amount the **Insured** becomes legally obligated to pay, including but not limited to any or all the following:
  - a. Judgments for compensatory damages.
  - b. Settlements to which the **Company** has agreed to in writing.
  - c. Attorney's fees and other litigation costs added to that part of any judgment paid by the **Company**, when such fees and costs are awarded by law or court order.
  - d. Pre-Judgment interest on that part of any judgment paid by the **Company**.

2. With respect to a **PCI Claim**, the **PCI Fines**.

3. With respect to a **Regulatory Proceeding Claim**, the **Regulatory Fines**.

**Damages** does not include any of the following:

- i. Any monetary amount which the **Insured** is not legally obligated to pay.
- ii. Any monetary amount which is not insurable under the applicable law or jurisdiction pursuant to which the **Endorsement** is construed.
- iii. Past, present and future earned and unearned royalties, profits, fees, costs, expenses, commissions, or the return of royalties, profits, fees, costs, expenses, commissions, and profits unjustly held or obtained.
- iv. Consideration charged by, paid by or owed to the **Named Insured**, including but not limited to restitution, disgorgement, reduction, or return of any consideration.

- v. Costs and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief.
  - vi. Discounts, prizes, awards, coupons, or other incentives offered to the **Insured's** clients or **Impacted Individuals**
  - vii. Civil or criminal fines or penalties imposed by law, except **PCI Fines and Regulatory Fines**.
  - viii. Punitive or exemplary damages.
  - ix. The multiple portion of any multiplied damages.
  - x. Taxes, loss of tax benefit or fines, tax penalties or sanctions imposed against the **Named Insured**.
- N. Data Replacement Expenses** means the reasonable and necessary fees, costs and expenses charged by a **Vendor** to research, re-create or replace electronic data on the **Named Insured's Computer System** that is damaged by a **System Compromise Event**, provided that such research, re-creation or replacement must be from written records or electronic backup of such electronic data. If such electronic data cannot reasonably be researched, recreated or replaced, the term **Data Replacement Expenses** means the reasonable and necessary costs and expenses incurred by the **Vendor** to reach this determination.
- Data Replacement Expenses** does not include any of the following:
- 1. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company's** or the **Named Insured's Knowledge Group Members**.
  - 2. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level that existed immediately prior to the occurrence of a **System Compromise Event**, including but not limited to updating, upgrading or enhancing electronic data or replacing, remediating or improving any **Computer System**, or improving networks and data security practices, procedures or policies.
  - 3. Re-creation or replacement of software programs or operating systems that are not commercially available.
  - 4. Re-creation or replacement of data that is obsolete, unnecessary or useless to the **Named Insured**.
  - 5. Indirect or consequential losses.
- O. Defrauded Funds** means the value of funds that are transferred by the **Named Insured** or a **Knowledge Group Member** directly in response to a **Funds Transfer Fraud Event**, that are in the form of check, wire transfer, credit card payment, debit card payment or **Crypto currency**. **Defrauded Funds** excludes cash payments.
- P. Discovers** or **Discovered** means the time the **Named Insured** or a **Knowledge Group Member** receives notice of, becomes aware of or receives, as applicable, any of the following: (i) any **Circumstance** which is reasonably likely to give rise to a **Claim** or **Loss**, or (ii) any **Claim** or **Loss** or potential **Claim** or **Loss**, regardless when the **Circumstance** occurred and regardless of the potential amount of the **Claim** or **Loss**.
- Q. Electronic Media** means any electronic information which is unique to the Names Insured, including audio or visual information, ready-for-use applications, programs, and other content in machine-readable format.
- R. Electronic Media Advertising** means **Electronic Media** which advertises or promotes the **Named Insured's** products or services.
- S. Endorsement** means this **Endorsement** issued by the **Company**.
- T. Endorsement Period** means the **Endorsement** Period set forth in the Schedule.
- U. Exploit** means a vulnerability in a **Computer System** through which software or malicious code designed to find, create, or take advantage of such vulnerability can enter such **Computer System**.
- V. Extortion Threat Event** means a credible threat, or a series of credible threats by a third party to cause or continue one or more System Compromise Events or Unauthorized Access of Unauthorized Use of Protected Information, plus

a demand by such third party for money from the **Named Insured** or a **Knowledge Group Member** where the payment of such money is a condition of mitigation or removal of such threat or series of threats.

**W. Extortion Threat Losses** means the **Funds Paid** by the **Named Insured** or a **Knowledge Group Member** in response to an **Extortion Threat Event** to the party that made the **Extortion Threat Event**, and the reasonable and necessary fees, costs, and expenses charged by a **Vendor** to respond to confirm, negotiate or pay an **Extortion Threat Event**.

**X. Extra Expenses** means reasonable and necessary expenses the **Named Insured** incurs during a **Reconstruction Period** after a **Business Interruption Event** in excess of its normal operating expenses that the **Named Insured** would have incurred during the same period had no **Business Interruption Event** occurred.

**Extra Expenses** do not include any of the following:

1. Any contractual penalties.
2. Any costs to update or upgrade the **Computer System** beyond the level that existed prior to the occurrence of the **Business Interruption Event**.

**Y. Funds Transfer Fraud Event** means the intentional deception of the **Named Insured** or a **Knowledge Group Member** by a third party intended to cause the **Named Insured** or a **Knowledge Group Member** to transfer funds under the **Named Insured's** control to a third party not authorized to receive such funds.

**Z. Funds Paid** means the value of the funds paid that are in the form of check, wire transfer, credit card payment, debit card payment or **Crypto currency**. **Funds Paid** excludes cash payments.

**AA. Impacted Individuals** means any person whose **Personally Identifying Information is in the care, custody, or control of the Named Insured and is lost, stolen, accidentally released or accidentally published by a Privacy Breach Event** covered under this **Endorsement**. This definition is subject to all of the following provisions:

1. **Impacted Individual** does not include any business or organization. Only an individual person may be an **Impacted Individual**.
2. **Impacted Individual** may reside anywhere in the world.
3. The **Personally Identifiable Information** must be kept by the **Named Insured** in the ordinary course and scope of its business operations.

**BB. IOT Device** means any electronic device, other than a **Portable Device**, or hardwire connected device, that connects to the **Named Insured's Computer System** directly or through a **VPN**. **IOT Devices** include, but are not limited to, smart printers, industrial control systems, security systems, smart speakers, smart televisions and smart appliances.

**CC. Insured** means the **Named Insured** and the **Knowledge Group Members**.

**DD. Knowledge Group Member(s)** mean the **Named Insured's** employees, principals, officers, executive officers and directors, but only while acting in their capacity as such for the Names Insured.

**EE. Loss(es)** means **Privacy Breach Expenses, Data Replacement Expenses, Computer System Restoration Expenses, Extortion Threat Losses, Defrauded Funds, and Business Income Loss**.

**Loss (es)** do not include:

1. The costs or expenses to comply with any order for, grant of or agreement to provide non-monetary relief, including but not limited to injunctive relief, or costs to remove electronic information from a Website or social media site.
2. Consideration charged by or owed to the **Insured**, including but not limited to restitution, disgorgement, reduction, royalties or licensing fees, or return of any consideration.
3. Any costs, fees or expenses incurred or paid by the **Insured** in establishing the existence of or amount of **Loss**, other than to a **Vendor**.

4. Fines, taxes, penalties, loss of tax benefits or sanctions, except for **PCI Fines** and **Regulatory Fines**.
- FF. Malicious Code** means an unauthorized, unwanted, or harmful program, code, or script, including but not limited to any virus, Trojan horse, worm, time, logic bomb, spyware, malware or spider.
- GG. Media Wrongful Event** means any or all of the following that is unintentionally or unknowingly caused by **Electronic Media Advertising** first created during the **Endorsement Period**:
1. Libel, slander or other defamation.
  2. Infringement of copyright, trademark, title, slogan, trade name, trade dress, service mark or service name.
- HH. Named Insured** means the person(s) and / or entity(ies) listed on the Policy Declarations, to which this endorsement is attached.
- II. Named Event** means the original and any variant of a highly publicized or widespread (with respect to multiplicity of impacted or targeted companies) **Malicious Code** or **Exploit** that becomes known by a common name or moniker adopted by, or is the subject of an alert by, any United States government entity or agency or any computer security or forensics entity or anti-virus software vendor.
- JJ. Network Disruption Event** means an interruption, disruption, deterioration, failure, suspension, or delay in the performance of the **Named Insured's Computer System**.
- KK. Network Security Event** means any one or more of the following caused by a **Network Disruption Event Discovered** during the **Endorsement Period**:
1. The inability of the **Named Insured** or authorized third party user to access the **Named Insured's Computer System**.
  2. The failure or corruption of a third party's computer system or network.
  3. The **Named Insured's** or a **Knowledge Group Member's** transmittal or distribution of **Malicious Code** to a third party's computer system or network.
  4. The perpetuation of a denial of service attack on a third party's computer system or network.
- LL. Payment Card Services Agreement** means an agreement between the **Named Insured** and a financial institution, credit card or debit Card Company or credit or debit card processor, enabling the **Named Insured** to accept credit card, debit card, prepaid card or other payment cards for payments.
- MM. PCI Claim** means the notification of the **Named Insured's** failure to comply or violation of any Payment Card Industry Data Security Standards established by the PCI Security Standards Council, and brought by a party who has entered into a **Payment Card Services Agreement** with the **Named Insured**.
- NN. PCI Security Violation Event** means the **Named Insured's** failure to comply with Payment Card Industry Data Security Standards.
- OO. PCI Fines** means the fines explicitly defined as a "fine" which the **Named Insured** is legally obligated to pay under a **Payment Card Services Agreement** due to a breach of a **Payment Card Services Agreement** caused by a **PCI Security Violation Event**. **PCI Fines** do not include (i) subsequent fines arising out of continued noncompliance or the same breach, (ii) any increased transaction costs, or (iii) any chargebacks.
- PP. Peripheral Hardwired Devices** means hardwire connected and non-portable devices connected to the **Named Insured's Computer System**, including but not limited to printers, scanners, and routers.
- QQ. Personally Identifiable Information** means:

1. Information concerning a natural person that constitutes “nonpublic personal information” as defined in the Gramm-Leach Bliley Act of 1999, and any amendment thereto or any rules of regulations promulgated in connection therewith.
2. Medical or health care information concerning a natural person including “protected health information” as defined in the Health Insurance Portability and Accountability Act of 1996, and any amendments thereto or any rules or regulations promulgated in connection therewith.
3. Information concerning a natural person that is defined as private personal information under any U.S. federal or state law; and
4. A natural person’s driver’s license or state identification number, social security number, unpublished telephone number, unpublished IP address, digital facial identity (not including photos and videos), digital fingerprint identity, and credit, debit or other financial account number in combination with associate security codes, access codes, passwords or PINs.

If such information allows such person to be uniquely and reliably identified or contacted or allows access to the person’s financial account or medical record information. The term **Personally Identifiable Information** does not include publicly available information that is lawfully made available to the general public, or **Corporate Information**.

**RR. Portable Device** means an electronic portable device such as a computer, smart phone, smart wearable or other similar device that can connect to a network either directly through hardwire or through a VPN.

**SS. Privacy Breach Event** means the following actual or alleged events:

1. Theft, loss, **Accidental Release** or accidental publication of **Protected Information**.
2. **Unauthorized Access or Unauthorized Use** of **Protected Information**.
3. The **Named Insured’s** actual or alleged violation of a **Privacy Law**.

**TT. Privacy Breach Expenses** means the reasonable and necessary costs and expenses directly incurred for or by the **Named Insured** in responding to a **Privacy Breach Event**:

1. **Notification Expenses:**  
Notification fees and expenses charged by a **Vendor** to notify an **Impacted Individual** and any regulator required to be notified by applicable law that: (i) a **Privacy Breach Event** occurred, and (ii) there was, may have been or may be **Unauthorized Access or Unauthorized Use** of the **Protected Information**.
2. **Monitoring Expenses:**  
Fees and expenses charged by a **Vendor** to provide credit monitoring, identity theft, or fraud resolution services to an **Impacted Individual** affected by a **Privacy Breach Event**.
3. **Cyber Investigation Expenses:**  
Fees and expenses charged by a **Vendor** to investigate any or all of the following:
  - a. Whether an **Unauthorized Access or Unauthorized Use** of the **Named Insured’s Computer System** arising from a **Targeted Attack** has occurred.
  - b. Whether **Protected Information** has been accessed.
  - c. Whether the **Named Insured** has an obligation to provide notice under a **Privacy Law**.
4. **Crisis Management Expenses:**
  - a. Fees and expenses charged by a public relations firm, law firm or crisis management firm **Approved** by the **Company** to perform crisis management services to minimize the potential harm to the **Named**

**Insured's** business from a **Privacy Breach Event**.

- b. Fees and expenses charged by a call center designated or **Approved** in writing by the **Company** to assist in managing incoming calls during and concerning a **Privacy Beach Event**.

**Privacy Breach Expenses** shall not include the following:

- c. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company's** or the **Named Insured's Knowledge Group Members**.
- d. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level that existed immediately prior to the occurrence of a **Privacy Breach Event**.

**UU. Privacy Law** means any law or regulation governing the protection of **Personally Identifiable Information** provided that it requires at least one of the following:

1. Posting privacy policies.
2. Adopting specific privacy or security controls.
3. Notifying **Impacted Individuals** if their **Personally Identifiable Information** has potentially been accessed or disclosed without authorization.

**VV. Protected Information** means **Personally Identifiable Information** or **Corporate Information** that is in the direct care, custody and control of the **Named Insured**.

**WW. Reconstruction Period** means the period of time that begins at the time a **Business Interruption Event** is first **Discovered** and ends at the earlier of the following:

1. 60 days after the date that the **Business Interruption Event** is first **Discovered**; or
2. The date that all data restoration, data re-creation and system restoration directly related to the **Business Interruption Event** has been completed, or the date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch.

**XX. Reconstruction Period Net Income** means measurable actual net income (net profit or loss) before taxes, calculated on an hourly basis and based on actual historical financial numbers, that the **Named Insured** would have earned or incurred during the **Reconstruction Period** had no **Business Interruption Event** occurred; provided that **Reconstruction Period Net Income** shall not be based on, shall not include, and no coverage shall be provided for, net income that would likely have been earned as a result of an increase in the volume of the **Named Insured's** business due to favorable business conditions caused by the impact of any Internet, computer, or network disruption suffered by other businesses during such period.

**YY. Regulatory Fines** means the fines or penalties assessed against a **Named Insured** in a **Regulatory Proceeding Claim**, if such fines and penalties are insurable under the applicable law for civil or administrative fines or penalties, in all cases arising from a Privacy Breach Event **Discovered** during the **Endorsement Period**. **Regulatory Fines** does not mean a claim of, or indemnification for, punitive or exemplary damages.

**ZZ. Regulatory Proceeding Claim** means each of the following first **Discovered** during the **Endorsement Period** that alleges the failure to comply with a U.S. federal or state law governing the protection of **Personally Identifiable Information**:

1. A written demand to the Names Insured for documentation or information commenced by service of a complaint or similar pleading brought by a federal or state regulatory body or regulator; or
2. An investigation or civil proceeding brought against the Names Insured by a federal or state regulatory body or regulator and commenced by service of a complaint or similar pleading.

**AAA. Related Claims** mean all **Claims** that are based upon, arising from, in consequence of, directly or indirectly

resulting from, or involving in any way continuous, repeated, same, related, or substantially similar **Circumstances**, or a continuous, repeated, same, related, or substantially similar series of **Circumstances**.

- BBB. Related Losses** mean all **Losses** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, same, related, or substantially similar **Circumstances**, or a continuous, repeated, same, related, or substantially similar series of **Circumstances**.
- CCC. System Compromise Event** means the **Unauthorized Access or Unauthorized Use** of the **Named Insured's Computer System** that materially degrades or damages the performance of the **Named Insured's Computer System** or corrupts or destroys any **Electronic Media** in the **Named Insured's Computer System**.
- DDD. Targeted Attack** means any attack upon the **Named Insured's Computer System**:
1. By **Malicious Code**, or by **Unauthorized Access or Unauthorized Use**, or attempted **Unauthorized Access or Unauthorized Use**, of the **Named Insured's Computer System** that is specifically directed against the **Named Insured's Computer System**.
- EEE. Third Party Claims** means Claims directly arising from a **Third-Party Liability Event**.
- FFF. Third Party Liability Event** means third party liability arising from any or all of the following:
1. Media Wrongful Event.
  2. Network Security Event.
  3. Privacy Breach Event.
- GGG. Unauthorized Access or Unauthorized Use** means the access to or use of the **Named Insured's Computer System** by a person or organization not authorized to do so, or the access to or use of the **Named Insured's Computer System** by an authorized person in an unauthorized manner.
- HHH. Vendor** means a third-party organization that the **Company** has either (i) designated, or (ii) **Approved**.
- III. VPN** means a virtual private network unique and connected to the series of interconnected computers owned, leased by or operated under the control of the **Named Insured**.
- JJJ. Waiting Period Deductible** means for each coverage, the Waiting Period Deductible specified in the Schedule for each such coverage.



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

## **EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

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

### **SCHEDULE**

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

State(s)	Coverage Form, Coverage Part Or Policy

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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

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

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

**B.** The following exclusion is added:

**CERTIFIED ACT OF TERRORISM EXCLUSION**

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

**C. Exception Covering Certain Fire Losses**

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

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

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

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

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

# Heritage Property & Casualty Insurance Company

## Election Not To Buy Separate Flood Insurance

I, The Barbados at Tarpon Cove Drive \_\_\_\_\_, have elected **NOT** to purchase, Condominium Association, Inc. separate flood insurance for the property to be insured by Heritage Property & Casualty Insurance Company (“Heritage”) and affirm the following:

**I UNDERSTAND HERITAGE PROPERTY & CASUALTY INSURANCE COMPANY DOES NOT PROVIDE COVERAGE FOR DAMAGE CAUSED BY OR RESULTING FROM FLOOD, INCLUDING ANY FLOODING AND/OR STORM SURGE ASSOCIATED WITH WINDSTORM EVENTS.**

**I UNDERSTAND THAT FLOOD INSURANCE CAN BE PURCHASED FROM A PRIVATE FLOOD INSURER OR THE NATIONAL FLOOD INSURANCE PROGRAM.**

**I UNDERSTAND MY APPLICATION FOR HERITAGE PROPERTY & CASUALTY INSURANCE COMPANY COVERAGE MAY BE DENIED IF I DO NOT SIGN THIS FORM.**

**I UNDERSTAND MY HERITAGE PROPERTY & CASUALTY INSURANCE COMPANY POLICY MAY BE NONRENEWED IN THE FUTURE IF I DO NOT SIGN THIS FORM.**

**The Florida Department of Financial Services, Office of Insurance Regulation and Heritage Property & Casualty Insurance Company strongly recommend that property owners in “Special Flood Hazard Areas” obtain flood coverage.**

I have read and I understand the information above, and I chose **NOT** to purchase flood coverage.

I understand that execution of this form does **NOT** relieve me of any obligation I may have to my mortgagee to purchase flood insurance.

HCP009497  
Application/Policy Number: \_\_\_\_\_

\_\_\_\_\_  
Policyholder/Applicant’s Signature  
The Barbados at Tarpon Cove Drive  
Condominium Association, Inc.  
\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Agent’s Signature  
Brown & Brown of Florida Inc - Fort  
Myers  
\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

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

## **FLORIDA CHANGES – ASSIGNMENT OF BENEFITS (COMMERCIAL RESIDENTIAL PROPERTY)**

This endorsement modifies insurance provided under the following:

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

Other words and phrases that appear in quotation marks have special meaning. Refer to the **Definitions** section below.

With respect to a loss to commercial residential property, the following **Additional Coverage** has been added:

### **Repairs Related To “Urgent or Emergency Circumstance”**

Subject to Paragraph (1) below, we will pay for reasonable emergency repairs required to mitigate against further damage or protect, repair, restore, or replace Covered Property caused by a Covered Cause of Loss that occurs during the policy period.

- (1) If an “assignor” executes an “assignment agreement” to protect, repair, restore, or replace Covered Property or to mitigate against further damage to Covered Property as a result of an “urgent or emergency circumstance”, an “assignee” may not receive an assignment of post-loss benefits under this Policy in excess of \$6,000 without the expressed written consent of the Insurer.

With respect to a loss to Covered Property, the following conditions are added to the **Loss Conditions** section when an “Assignment Agreement” is executed after a Covered Cause of Loss.

### **“Assignee’s” Duties After Loss**

In case of a loss to covered property, we owe no duty to provide coverage under this Policy to an “assignee” if there is failure by the “assignee” to comply with any of the following duties. These duties must be performed by the “assignee”.

Pursuant to Florida law, in a claim arising under an “assignment agreement”, an “assignee” has the burden to demonstrate that we are not prejudiced by the “assignee’s” failure to perform the duties **a.** through **d.** below.

An “assignee” must:

- a.** Cooperate with us in the investigation of a claim;
- b.** Maintain records of all services provided under the valid “assignment agreement”;
- c.** Provide the insurer with requested records and documents related to the services provided, and permit the insurer to make copies of such records and documents;  
 This includes providing accurate and up-to-date revised estimates of the scope of work to be performed as supplemental or additional repairs are required;
- d.** Deliver a copy of the executed, valid “assignment agreement” to the insurer within 3 business days after executing the valid “assignment agreement” or within 3 business days after work has begun, whichever is earlier; and
- e.** Perform the work in accordance with accepted industry standards;

An “assignment agreement” that does not comply with Florida Law is invalid and unenforceable.

### **“Assignment Agreement” Delivery Requirements**

An “assignee” must provide a copy of the executed, valid “assignment agreement” to the insurer within 3 business days after the date on which the valid “assignment agreement” is executed or the date on which work begins, whichever is earlier. Delivery of the copy of the valid “assignment agreement” to the insurer may be made by personal service, overnight delivery, or electronic transmission, with evidence of delivery in the form of a receipt or other paper or electronic acknowledgment by the insurer or to the locations designated below:

**Postal Delivery Address**

Attention: AOB Notice

Heritage Property &amp; Casualty Insurance

1401 N Westshore Blvd,

Tampa FL 33607

**Electronic Submission Address**

fnolcr@heritagepci.com

**“Assignee” Pre-Suit Notice Requirements**

An “assignee” must provide the Named Insured, insurer, and the “assignor”, if not the Named Insured, with a written notice of intent to initiate litigation before filing suit under the Policy. Such notice must be served by certified mail, return receipt requested, or electronic delivery at least 10 business days before filing suit, but may not be served before the insurer has made a determination of coverage under the **Loss Payment** Condition of this Policy. The notice must specify the damages in dispute, the amount claimed, and a pre-suit settlement demand. Concurrent with the notice, and as a precondition to filing suit, the “assignee” must provide the Named Insured, insurer, and the “assignor”, if not the Named Insured, a detailed written invoice or estimate of services, including itemized information on equipment, materials, and supplies; the number of labor hours; and, in the case of work performed, proof that the work has been performed in accordance with accepted industry standards.

**Legal Action Against Us**

If the Named Insured or the Named Insured’s agents, representatives, including any public adjusters engaged on the behalf of the Named Insured, and we fail to agree on the settlement regarding the loss, prior to filing suit, the above-named parties must:

1. Notify us of the disagreement in writing;
2. Fully comply with all the terms of this Policy; and
3. Participate in Mediation and Appraisal as outlined in the Policy.

However, only with respect to disagreements between us and the first Named Insured, the first Named Insured is not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss, if we:

1. Requested mediation and either we or the first Named Insured rejected the mediation result; or
2. Failed to notify the first Named Insured of the first Named Insured’s right to participate in the mediation program.

No action can be brought against us unless there has been full compliance with all of the terms under this Policy and the action is started within 5

years after the date of loss.

**Legal Action Against Us By An “Assignee”**

If there is a valid “assignment agreement” and the “assignee” and we fail to agree on the settlement regarding the loss, prior to filing suit, an “assignee” must:

1. Notify us of the disagreement regarding the settlement of the loss in writing;
2. Fully comply with the duties in accordance with Florida Law and the “assignee’s” duties under this Policy; and
3. Participate in Mediation and Appraisal as outlined in the Policy.

No action can be brought against us unless there has been full compliance with all of the terms under this Policy and the action is started within 5 years after the date of loss.

**Definitions**

The following Definitions have been added to the Policy:

**“Assignee”**

“Assignee” means a person who is assigned post-loss benefits through an “assignment agreement”.

**“Assignment Agreement”**

“Assignment agreement” means any instrument by which post-loss benefits under a residential property insurance policy or commercial property insurance policy, as that term is defined in Fla. Stat. Sect. 627.0625(1), are assigned or transferred, or acquired in any manner, in whole or in part, to or from a person providing services to protect, repair, restore, or replace property or to mitigate against further damage to the property.

**“Assignor”**

“Assignor” means a person who assigns post-loss benefits under a residential property insurance policy or commercial property insurance policy to another person through an “assignment agreement”.

**“Urgent or Emergency Circumstance”**

“Urgent or emergency circumstance” means a situation in which a loss to property, if not addressed immediately, will result in additional damage until measures are completed to prevent such damage.